

**FORT BEND COUNTY TOLL ROAD AUTHORITY
FINANCIAL REPORT
For the Year Ended September 30, 2021**



Prepared by:

Fort Bend County Auditor's Office

Robert Ed Sturdivant, CPA

County Auditor

FORT BEND COUNTY TOLL ROAD AUTHORITY
TABLE OF CONTENTS

	<u>Page(s)</u>
<u>INTRODUCTORY SECTION</u>	
Letter of Transmittal	i-iii
<u>FINANCIAL SECTION</u>	
Independent Auditors' Report	1-2
Management's Discussion and Analysis	3-7
Basic Financial Statements	
Statement of Net Position	11
Statement of Revenues, Expenses and Changes in Net Position	12
Statement of Cash Flows	13
Notes to the Financial Statements	14-20
<u>OTHER INFORMATION (Unaudited) SECTION</u>	
Statement of Revenues, Expenses and Changes in Net Position	22-23
Revenues by Toll Road Components/Segments	24-25
Traffic Count Table	26-27
Historical Toll Road Operating Results and Coverages	28-29
Toll Rate Schedule	30
Independent Auditors' Report on Internal Control over Financial Reporting	31-32



COUNTY AUDITOR

Fort Bend County, Texas

Robert Ed Sturdivant
County Auditor

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March 18, 2022

To the Board of Directors of the Fort Bend County Toll Road Authority, Members of the Commissioners Court, and Citizens of Fort Bend County, Texas:

The Fort Bend County Auditor's Office is pleased to present the basic financial statements of the Fort Bend County Toll Road Authority (the "Authority"), a component unit of Fort Bend County, Texas (the "County"), for the fiscal year ended September 30, 2021. This report is submitted in accordance with Section 114.025 of the Texas Local Government Code and was prepared by the staff of the County Auditor's Office.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Whitley Penn, LLP, has issued an unmodified ("clean") opinion on the Authority's financial statements for the year ended September 30, 2021. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis ("MD&A") immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Authority

The Authority was created by the Fort Bend County Commissioners Court (the "Court") as a local government corporation pursuant to the Texas Transportation Code, to aid, assist, and act on behalf of the County in the performance of its essential government purposes, including toll road projects. The Board of Directors of the Authority includes five members appointed by the Court. All actions of the Authority are presented to the Court for approval.

The Authority's main office is located in Sugar Land, Texas, and has completed construction of two key components of the Fort Bend County Toll Road System, the first segments of the Fort Bend Parkway and the Fort Bend Westpark Tollway. The Fort Bend County Toll Road system offers new transportation options, relieving traffic congestion for commuters.

In November 2000, Fort Bend County citizens overwhelmingly approved a \$140 million bond issue to support revenue bond financing to pay for the construction of the two toll road projects. The four-lane, 6.2 mile, Fort Bend Parkway Toll Road, which opened August 2004, connects the Sam Houston Tollway (Beltway 8) with State Highway 6. The Fort Bend Westpark Tollway, which opened August 2005, ties into Harris County's Westpark Tollway just east of FM-1464 and continues west to the Grand Parkway for 6 miles. The Authority opened the 1.2 mile segment of the Fort Bend Parkway Toll Road in May 2014 that extended the toll road south of Highway 6 to Sienna Parkway. The Authority completed construction of the Highway 6 overpass in March of 2017 to connect the existing Parkway main lanes north of Trammel-Fresno Road to the main lanes south of Knight Road. The Westpark Tollway expansion project was begun in 2016 to extend the current Westpark Tollway from its terminus at Grand Parkway to FM 1453. The first phase of this project was completed in November 2017 opening 4 toll lanes constructed by the Authority and 4 frontage road lanes constructed by the County for 4 miles to FM 1463. The initial part of phase two of the project was completed in February 2019. This segment includes County funded access roads on either side of the Westpark Tollway from the Grand Parkway to James Ln just east of Fulshear. This toll road system provides seamless access to commuters through the use of an electronic toll tag issued by Harris County Toll Road Authority (EZ-TAG), Texas Department of Transportation (TxTag), or the North Texas Tollway Authority (TollTag).

Additional information about the Authority is available on their website: <http://www.fbctra.com>.

Local Economy

Fort Bend County continues to assist the residents and businesses with funds provided by the US Treasury for the Pandemic recovery effort. Even with this ongoing assistance, the Fort Bend County Toll Road System has fully recovered from the economic downturn experienced during the summer of 2020 in relation to the Pandemic. The demand for services regarding the governmental functions performed by the County continues to increase as the population grows. The Commissioners Court and the Authority use a conservative approach to the allocation of resources to serve the County's needs to ensure that Fort Bend County is prepared as the local economy responds to and recovers from the pandemic. This ongoing conservative approach will allow the County and Authority to meet the service demands of the residents in Fort Bend County. This ongoing conservative approach will not reduce the level of service provided by the Fort Bend County Toll Road System to the residents.

Long-Term Financial Planning and Relevant Financial Policies

Budget

The Authority adopts a one-year budget through its fully coordinated financial planning process. The budget implements strategies, both financial and operational, identified through the strategic and long-range planning process to meet existing challenges and to effectively plan for future needs. The budget is a financial plan for a fiscal year of operations that matches all planned revenues and expenses with the services provided the citizens of the County based on the established budget policy. Decisions are not based solely on current conditions but on the long-term welfare of the community. The budget is developed and resources allocated based on the vision, mission, and goals of the Authority and County.

Long-Term Comprehensive Plan

The Authority's long-term plan is to manage, maintain, and expand the Toll Road System to enhance the County's master thoroughfare system. The future expansion of the system will be appropriately timed to meet the demand when financially feasible.

Capital Improvement Program

The Authority maintains a multi-year Capital Projects Plan that includes toll road mobility projects. These capital initiatives involve extension and improvement of the existing Fort Bend County Toll Road System.

Debt Policy

The purpose of the County's Debt Policy (which includes the Authority) is to establish guidelines for the utilization of debt instruments issued by the County and Authority whether payable from County taxes or payable from certain revenues of the County or Authority.

The County and Authority will ensure all uses of debt instruments are in compliance with all statutory requirements, and in accordance with the guidelines, outstanding ordinances, insurance covenants, and existing agreements. Further, the County and Authority will ensure that the utilization of any debt instrument provides the most prudent and cost-effective funding possible, taking all material matters into account.

Major Initiatives

The Authority completed the phase one Westpark Tollway expansion in November 2017 with a total cost of \$74 million (including right of way and utility relocation) which constructed a four-lane, divided highway. The project extends the current four-lane controlled access tollway to the west from its current terminus at Grand Parkway/SH 99 to FM 1463. In addition, the County completed construction of one-way two-lane frontage roads on the north and south of the Westpark Expansion as non-tolled lanes with a cost totalling \$37.4 million. The County also completed the initial part of phase two of this project in February of 2019 which includes the frontage roads out to west of Cross Creek Ranch from FM 1463 with a total cost of \$22.9 million. The Authority incurred expenses of \$6.2m on the initial part of phase two for planning of future toll lanes when financially feasible. The remaining portion of phase two extended the frontage roads from west of Cross Creek Ranch to James Ln, just east of Fulshear and was completed by the Texas Department of Transportation January 2021. The County and Authority issued \$80.1m in senior lien revenue bonds to improve the system with the major projects including direct connectors at Westpark on Grandparkway as well as the extension of Fort Bend Parkway segment B2.

Acknowledgements

The preparation of this report could not be achieved without the efficient and dedicated services of the staff of the County Auditor's Office and Whitley Penn, LLP, our independent auditor.

Respectfully submitted,



Robert E. Sturdivant, CPA
County Auditor
Fort Bend County, Texas

FORT BEND COUNTY TOLL ROAD AUTHORITY MISSION STATEMENT

The Fort Bend County Toll Road Authority was created by the Fort Bend County Commissioners' Court as a local government corporation pursuant to the Texas Transportation Code, to aid, assist, and act on behalf of the County in the performance of its essential government purposes, including toll road projects.



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Fort Bend County Toll Road Authority
Fort Bend County, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of Fort Bend County Toll Road Authority (the "Authority"), a component unit of Fort Bend County, Texas, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of 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.

To the Board of Directors
Fort Bend County Toll Road Authority
Fort Bend County, Texas

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority, as of September 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The introductory and other information sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory and other information sections have 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 them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2022, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is 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 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 Authority's internal control over financial reporting and compliance.



Houston, Texas
March 18, 2022

FORT BEND COUNTY TOLL ROAD AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Fort Bend County Toll Road Authority (the "Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended September 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Overview of the Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements include two components: the enterprise fund financial statements; and notes to the financial statements.

Enterprise Fund Financial Statements

The Fort Bend County Toll Road Authority is a local government corporation and a component unit of Fort Bend County (the "County"). It is a single-purpose government with one business-type activity. Because the Authority is a single-purpose government, this report only includes the required Management Discussion and Analysis, the Enterprise Fund financial statements and the notes to the financial statements. The Enterprise Fund financial statements consist of the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows.

The enterprise fund financial statements, which can be found on pages 11 through 13 of this report, are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to private-sector businesses.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the enterprise fund financial statements. The notes to the financial statements can be found on pages 14 through 20 of this report.

Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets and deferred outflow of resources exceeded liabilities by \$153,530,631 at the close of the most recent fiscal year.

The following table provides a summary of the Authority's net position at September 30, 2021 and 2020:

**FORT BEND COUNTY TOLL ROAD AUTHORITY
CONDENSED STATEMENT OF NET POSITION**

September 30, 2021 and 2020

	2021	2020
Current and other assets	\$ 217,304,387	\$ 126,837,759
Capital assets, net	250,994,957	256,138,872
Total Assets	468,299,344	382,976,631
 Total Deferred Outflow of Resources	 3,207,514	 3,924,250
Long-term liabilities	315,737,982	245,879,948
Other liabilities	2,238,245	3,412,223
Total Liabilities	317,976,227	249,292,171
 Net Position:		
Net investment in capital assets	23,105,754	16,074,300
Restricted	22,661,159	24,622,396
Unrestricted	107,763,718	96,912,014
Total Net Position	\$ 153,530,631	\$ 137,608,710

As of September 30, 2021, the Authority had a positive net investment in capital assets of \$23,105,754. The Authority's capital assets consist primarily of infrastructure which was constructed using related debt. The Authority uses capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Authority's net position, \$22,661,159, is restricted. This amount represents funds held by a trustee for debt service payments. The remaining balance of \$107,763,718 is unrestricted.

The Authority's assets and deferred outflow of resources exceeded its liabilities by \$153,530,631, resulting in an increase in net position of \$15,921,921 from the prior year. This increase is a result of toll revenues continuing to exceed operating expenditures. The growth in net position is being maintained in the revenue fund for future maintenance and construction.

The following table provides a summary of the Authority's operations for the years ended September 30, 2021 and 2020:

**FORT BEND COUNTY TOLL ROAD AUTHORITY
STATEMENT OF CHANGES IN NET POSITION**

For the years ended September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenues		
Operating revenues:		
Toll revenue	\$ 41,775,763	\$ 35,098,455
Non-operating revenues:		
Earnings on investments	366,627	1,371,593
Total Revenues	<u>42,142,390</u>	<u>36,470,048</u>
Expenses		
Operating expenses:		
Salaries and personnel costs	115,288	130,285
Fees	8,944,731	7,803,666
Utilities	130,404	119,516
Depreciation	7,288,208	7,288,277
Non-operating expenses:		
Interest on long-term debt	8,274,861	8,361,030
Debt service fees	15,000	16,524
Debt issuance costs	1,451,977	713,660
Total Expenses	<u>26,220,469</u>	<u>24,432,958</u>
Income before Contributions	15,921,921	12,037,090
Capital contributions		10,267,000
Change in Net Position	15,921,921	22,304,090
Net Position, Beginning	137,608,710	115,304,620
Net Position, Ending	<u>\$ 153,530,631</u>	<u>\$ 137,608,710</u>

At the end of the current fiscal year, the Authority was able to report a positive balance in net position. The same situation held true for the prior fiscal year.

Toll Road operations increased the Authority's net position by \$15,921,921. This increase is down from last year's increase of \$22,304,090. The key elements of this decrease in the change in net position of \$6,382,169 are as follows:

- Increase in toll revenue of \$6,677,308 primarily due to increased utilization as a result of the pandemic recovery
- Decrease in earnings on investments of \$1,004,966 due to lower interest rates
- Increase in fees of \$1,141,065 due to increased utilization
- Increase in Debt issuance costs of \$738,317 due to a new bond issuance
- Decrease in capital contributions of \$10,267,000

Capital Assets and Debt Administration

Capital Assets - At the end of fiscal year 2021, the Authority had \$250,994,957 invested in toll road land, construction in progress, and infrastructure, net of accumulated depreciation, as reflected in the following schedule. This represents a decrease of \$5,143,915 from the previous fiscal year.

FORT BEND COUNTY TOLL ROAD AUTHORITY'S CAPITAL ASSETS

	<u>2021</u>	<u>2020</u>
Non-Depreciable Capital Assets		
Land	\$ 32,994,966	\$ 32,994,966
Construction in progress	4,323,451	3,187,356
Other Capital Assets, Net		
Office furniture and equipment	104,450	174,084
Infrastructure	213,572,090	219,782,466
Totals	<u>\$ 250,994,957</u>	<u>\$ 256,138,872</u>

The decrease in toll road infrastructure of \$6,210,376 was primarily due to depreciation. The increase of construction in progress of \$1,136,095 was primarily due to the construction of the Fort Bend Parkway extension project.

Long-Term Debt - At the end of the current fiscal year, the Authority had total bonds outstanding of \$286,300,000.

LONG-TERM DEBT

	<u>2021</u>	<u>2020</u>
Revenue bonds	\$ 286,300,000	\$ 224,205,000
Premiums on bonds	29,655,568	21,904,190
Discounts on bonds	(217,586)	(229,242)
Total	<u>\$ 315,737,982</u>	<u>\$ 245,879,948</u>

The County and Authority received unsecured ratings of Aa1 and AA+ from Moody's and Fitch, respectively on the 2012 Refunding issue and 2020 Refunding issue. The Authority received unsecured ratings of A2 and A+ from Moody's and Fitch, respectively on the 2012 Senior Lien, the 2014 Senior Lien issue, the 2016 Senior Lien issue and the 2021 Senior Lien issue.

Economic Factors

The population of the County is estimated at 867,500 in 2021 and is expected to grow to 960,690 by 2025.

The number of households has increased to 267,574 in 2021 and is expected to grow to 298,830 by 2025. Mean household income for 2021 is \$212,685 and is estimated to rise to \$244,483 by 2025. Income per capita is currently at \$67,347 and is expected to grow to \$77,376 by 2025.

Mobility improvements continue to be a demand from the residents of Fort Bend County. The Authority is proceeding with several toll road projects that will enhance and compliment the County's road system.

Requests for Information

This financial report is designed to provide a general overview of Authority's finances for all of those with an interest in the Authority's finances. Questions concerning this report or requests for additional financial information should be directed to Ed Sturdivant, County Auditor, 301 Jackson, Suite 701, Richmond, TX 77469, telephone (281) 341-3760.



BASIC FINANCIAL STATEMENTS



FORT BEND COUNTY TOLL ROAD AUTHORITY
STATEMENT OF NET POSITION
September 30, 2021

Assets	
Cash and cash equivalents	\$ 191,223,250
Investments	22,041,357
Tolls receivable	4,039,780
Capital assets, not subject to depreciation	37,318,417
Capital assets, net of accumulated depreciation	213,676,540
Total Assets	<u>468,299,344</u>
Deferred Outflow of Resources	
Deferred charges-debt refunding	<u>3,207,514</u>
Total Deferred Outflow of Resources	<u>3,207,514</u>
Liabilities	
Due to primary government	1,178,431
Accrued interest payable	1,059,814
Long-term liabilities due within one year	10,075,000
Long-term liabilities due in more than one year	305,662,982
Total Liabilities	<u>317,976,227</u>
Net Position	
Net investment in capital assets	23,105,754
Restricted for:	
Debt service	22,661,159
Unrestricted	107,763,718
Total Net Position	<u>\$ 153,530,631</u>

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

FORT BEND COUNTY TOLL ROAD AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended September 30, 2021

Operating Revenue	
Toll revenue	\$ 41,775,763
Total Operating Revenue	<u>41,775,763</u>
Operating Expenses	
Salaries and personnel costs	115,288
Fees	8,944,731
Utilities	130,404
Depreciation	7,288,208
Total Operating Expenses	<u>16,478,631</u>
Operating Income	25,297,132
Non-Operating Revenues (Expenses)	
Earnings on investments	366,627
Interest on long-term debt	(8,274,861)
Debt service fees	(15,000)
Debt issuance costs	(1,451,977)
Total Non-Operating Revenues (Expenses)	<u>(9,375,211)</u>
Change in Net Position	15,921,921
Net Position, Beginning of Year	<u>137,608,710</u>
Net Position, End of Year	<u><u>\$ 153,530,631</u></u>

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

FORT BEND COUNTY TOLL ROAD AUTHORITY

STATEMENT OF CASH FLOWS

For the Year Ended September 30, 2021

Cash Flows from Operating Activities	
Receipts from tolls and other	\$ 42,927,858
Payment of toll operation expenses	(9,190,423)
Net Cash Provided by Operating Activities	<u>33,737,435</u>
Cash Flows from Investing Activities	
Purchase of Investments	(22,041,357)
Interest earned on investments	366,627
Net Cash (Used) by Investing Activities	<u>(21,674,730)</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of capital assets	(2,144,293)
Payment on loan from primary government	(1,407,579)
Principal paid on capital debt	(9,335,000)
Interest expense	(10,905,465)
Proceeds from capital debt	81,306,998
Net Cash Provided by Capital and Related Financing Activities	<u>57,514,661</u>
Net Increase in Cash and Cash Equivalents	69,577,366
Cash and Cash Equivalents, Beginning of Year	<u>121,645,884</u>
Cash and Cash Equivalents, End of Year	<u>\$ 191,223,250</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	\$ 25,297,132
Adjustments to operations:	
Depreciation	7,288,208
Change in assets and liabilities:	
Decrease in other receivables	1,152,095
Total adjustments	<u>8,440,303</u>
Net Cash Provided by Operating Activities	<u>\$ 33,737,435</u>

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

FORT BEND COUNTY TOLL ROAD AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

These financial statements include all of the funds and activities of the Fort Bend County Toll Road Authority (the "Authority"). The Authority is a component unit of Fort Bend County, Texas (the "County"). Financial statements of the Authority are included as a discretely presented component unit in the County's financial statements.

The Authority is organized under the Texas Transportation Corporation Act and the Texas Non-Profit Corporation Act. It was created to assist in the planning, designing, financing and building of County roads and highways. In particular, the Authority is to assist in the building and operation of the Fort Bend County Toll Road System. This Fort Bend County Toll Road System currently includes the Fort Bend Parkway Toll Road that extends from Sam Houston Parkway in Harris County to State Highway 6 in Fort Bend County near Sienna Plantation. It also includes the Westpark Tollway that extends from the Fort Bend County line to FM 1463. The primary criteria for the inclusion of the Authority in the County's reporting entity, is that of financial accountability. The Commissioners Court, as the elected governing body of the County, appoints the Authority's governing body. The County has financial accountability because it appoints a voting majority of the Board and the County can impose its will. As such, the County is financially accountable for the Authority and the Authority is considered a discretely presented component unit of the County.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accompanying basic financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. With this measurement focus, all assets and all liabilities associated with the operations of these activities are included in the statement of net position.

C. Cash and Cash Equivalents

The Authority's cash and cash equivalents consist of demand deposits and investment pools.

D. Receivables

Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

E. Capital Assets

Capital assets consist of infrastructure, land, office furniture and equipment, and construction in progress that are used in the Authority's operations. All capital assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated capital assets are valued at their acquisition value on the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are charged to operations when incurred. Expenses that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and the resulting gain or loss is included in the results of operations.

The Authority applies a half-year convention for depreciation on all capital assets. Therefore, one-half year of depreciation is charged to operations the first and last year that a capital asset is in service. Depreciation is computed using the straight-line method over an estimated useful life of 5 to 40 years.

F. Use of Estimates

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

G. Restricted/Unrestricted Net Position

It is the Authority's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

H. Date of Management's Review

In preparing the financial statements, the Authority has evaluated events and transactions for potential recognition or disclosure through March 18, 2022, the date that the financial statements were available to be issued.

NOTE 2 - DEPOSITS (CASH) AND INVESTMENTS

A. Authorization for Deposits and Investments

The Texas Public Funds Investment Act ("PFIA"), as prescribed in Chapter 2256 of the Texas Government Code, regulates deposits and investment transactions of the Authority.

In accordance with applicable statutes, the County has a depository contract with an area bank (depository) providing for interest to be earned on deposited funds and for banking charges the Authority incurs for banking services received. The Authority may place funds with the depository in interest and non-interest bearing accounts. State law provides that collateral pledged as security for bank deposits must have a market value of not less than the amount of the deposits and must consist of: (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal and interest on which are unconditionally guaranteed or insured by the State of Texas; and/or (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent. County policy requires the collateralization level to be at least 110% of market value of principal and accrued interest.

Commissioners Court has adopted a written investment policy regarding the investment of the Authority's funds as defined by the Public Funds Investment Act (Chapter 2256, Texas Government Code). The investments of the Authority are in compliance with this policy.

As of September 30, 2021, the Authority reported deposits in the amount of \$16,391,024. The Authority's collateral requirement, in accordance with the County's investment policy is 110%. The entire amount was covered by federal depository insurance or by collateral held by the County's agent in the Authority's name as of September 30, 2021.

B. Concentration of Credit Risk

It is the County's policy to diversify its portfolio to eliminate the risk of loss resulting from a concentration of assets in a specific maturity (save and except zero duration funds), a specific issuer or a specific class of investments. The County manages adherence to this policy for the Authority. To achieve this diversification, the County will limit investments in specific types of securities to the following percentages of the total portfolio:

<u>Investment Type</u>	<u>Maximum Investment %</u>
Repurchase Agreements	up to 35%
Certificates of Deposit	up to 50%
U.S. Treasury Bills/Notes	up to 100%
Other U.S. Government Securities	up to 80%
Authorized Local Government Investment Pools	up to 80%
No Load Money Market Mutual Funds	up to 50%
Bankers Acceptances	up to 15%

As of September 30, 2021, 7.7% of the Authority's cash and cash equivalents were contained in demand deposit accounts.

C. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates may adversely affect the value of the investments. The County monitors interest rate risk for the Authority utilizing weighted average maturity analysis. In accordance with its investment policy, the County reduces the Authority's exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio as a whole to no more than 3 years. At year-end, the Authority's cash and investment balances and the weighted average maturity of these investments were as follows:

	<u>Fair Value</u>	<u>Weighted Average Maturity</u>	<u>Percentage of Total Portfolio</u>
Demand Deposits	\$ 16,391,024	1	7.7%
Investment Pools:			
Texas CLASS	138,023,071	53	64.7%
Texas Range	1,071	48	0.0%
LOGIC	35,128,468	59	16.5%
Wells Fargo Government Money Market Fund	1,679,616	31	0.8%
Governmental Securities:			
Wells Fargo FHLMC	9,609,726	921	4.5%
US Treasury Note	12,431,631	147	5.8%
Total Fair Value	<u>\$ 213,264,607</u>		
Portfolio weighted average maturity (days)		<u>94</u>	

Texas Cooperative Liquid Assets Securities System Trust ("Texas CLASS") is a local government investment pool organized under the authority of the Interlocal Cooperation Act, chapter 791, Texas Government Code, and the Public Funds Investment Act, chapter 2256, Texas Government Code. Texas CLASS was established in 1996. Pursuant to the Trust Agreement, Texas CLASS is supervised by a Board of Trustees who are elected by the Participants. The Board of Trustees supervises the Trust and its affairs and acts as the liaison between the Participants, the Custodian and the Program Administrator.

Cutwater Investor Services Corp. serves as Program Administrator. Cutwater Investor Services Corp. is a subsidiary of Cutwater Asset Management. It maintains a Net Asset Value of approximately \$1 per share.

The Texas Range Local Government Investment Pool (“Texas Range”) is organized in conformity with the Texas Public Funds Investment Act of the Texas Government Code. It provides for a fixed-rate, fixed-term investment for a period of 60 days to one year and includes TexasDAILY, a portfolio of the Local Government Pool, providing daily access to funds. An Advisory Board composed of participants in Texas Range and other parties who do not participate in the Pool, has responsibility for the overall management of the Pool, including formulation and implementation of its Investment and Operating Policies. PFM Asset Management LLC (“PFM”), a leading national financial and investment advisory firm, is the investment advisor to the pool. It maintains a Net Asset Value of approximately \$1 per share.

Local Government Investment Cooperative (“LOGIC”) is a local government investment pool organized under the authority of the Interlocal Cooperation Act, chapter 791, Texas Government Code, and the Public Funds Investment Act, chapter 2256, Texas Government Code. The Pool was created in April, 1994 through a contract among its participating governmental units, and is governed by a board of directors, to provide for the joint investment of participant's public funds and funds under their control. It maintains a Net Asset Value of approximately \$1 per share.

Wells Fargo Government Money Market Fund seeks current income, while preserving capital and liquidity. It invests in high-quality, short-term money market instruments that consist of U.S. Government obligations and repurchase agreements collateralized by U.S. Government obligations.

In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, the Local Government Investment Pools do not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amounts. These pools do not impose any liquidity fees or redemption gates.

D. Credit Risk

The County’s investment policy, which includes the Authority, does not require investments to hold certain credit ratings issued by nationally recognized statistical rating organizations. As of September 30, 2021, the Authority’s investments in Texas CLASS, Texas Range, and LOGIC were rated “AAAm” by Standard and Poor’s. The Authority’s investments in the Wells Fargo Government Money Market Funds was rated “AAAm” and “Aaa-mf” by Standard and Poor’s and Moody’s Investments, respectively.

NOTE 3 – RECEIVABLES

Receivables as of September 30, 2021, consist of toll revenue due from the Harris County Toll Road Authority, Texas Tollway, and North Texas Tollway, net of applicable fees.

NOTE 4 – CAPITAL ASSETS

A summary of changes in capital assets for the year ended September 30, 2021, is as follows:

	Balances 10/1/20	Increases	Decreases	Balances 9/30/21
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 32,994,966	\$	\$	\$ 32,994,966
Construction in progress	3,187,356	2,144,293	(1,008,198)	4,323,451
Total capital assets not depreciated	36,182,322	2,144,293	(1,008,198)	37,318,417
Other capital assets:				
Office furniture and equipment	363,120			363,120
Infrastructure	292,134,362	1,008,198		293,142,560
Total other capital assets	292,497,482	1,008,198		293,505,680
Accumulated depreciation for:				
Office furniture and equipment	(189,036)	(69,634)		(258,670)
Infrastructure	(72,351,896)	(7,218,574)		(79,570,470)
Total accumulated depreciation	(72,540,932)	(7,288,208)		(79,829,140)
Other capital assets, net	219,956,550	(6,280,010)		213,676,540
Total capital assets	\$ 256,138,872	\$ (4,135,717)	\$ (1,008,198)	\$ 250,994,957

Depreciation expense for the Authority for the year ended September 30, 2021, totaled \$7,288,208. Construction in progress is mainly comprised of activity on the Fort Bend Parkway extension project and the Direct Connectors project. The contract commitments as of September 30, 2021 are as follows:

	Construction In Progress	Commitments
Fort Bend Parkway	\$ 3,561,328	\$ 35,434,013
SH6 Right Turn Lane	95,539	831
ITS System	81,796	
Direct Connectors	551,968	304,810
ROW Deliniation	32,820	8,160
Total	\$ 4,323,451	\$ 35,747,814

NOTE 5 – LONG-TERM DEBT

The Authority issued subordinate lien revenue bonds and senior lien revenue bonds for the purpose of financing the construction of the Toll Road System. These subordinate and senior lien revenue bonds are paid through the Authority’s Debt Service Fund from toll fees collected by the Authority.

In July 2021, the Authority issued \$71,430,000 of Senior Lien Toll Road Revenue Bonds, Series 2021. The Authority used the proceeds to (i) finance the design, construction, equipment and other miscellaneous costs, including right-of-way costs and environmental and engineering costs, for additional Project Segments of the Fort Bend Parkway and the Westpark Tollway, (ii) purchase a debt service reserve fund surety policy, and (iii) pay the costs associated with the issuance of the bonds. The bonds mature serially on March 1 in each year 2023 through 2042, inclusive, and as term bonds on March 1 in each of the years 2046 and 2051. Interest is payable March 1 and September 1 and March 1 thereafter until maturity or prior redemption. Interest rates range from 3% to 5%.

The following is a summary of the outstanding subordinate and senior lien revenue bonds as of September 30, 2021:

<u>Original Issue</u>	<u>Description</u>	<u>Interest Rate %</u>	<u>Matures</u>	<u>Debt Outstanding</u>
Revenue Bonds				
\$ 30,775,000	Senior Lien Toll Road Revenue Bonds, Series 2012	2.00 - 4.125	2040	\$ 26,625,000
116,940,000	Unlimited Tax and Subordinate Lien Toll Road Revenue Refunding Bonds Series 2012	3.125 - 5.0	2032	6,130,000
45,000,000	Senior Lien Toll Road Revenue Bonds, Series 2014	2.0 - 5.0	2042	39,210,000
64,440,000	Senior Lien Toll Road Revenue Bonds, Series 2016	2.0 - 5.0	2045	62,940,000
80,770,000	General Obligation Refunding Bonds Taxable Series 2020	2.1 - 5.0	2032	79,965,000
71,430,000	Senior Lien Toll Road Revenue Bonds Series 2021	3.0-5.0	2051	<u>71,430,000</u>
	Total Revenue Bonds			<u><u>\$ 286,300,000</u></u>

A summary of the long-term liability transactions of the Authority for the year ended September 30, 2021 is as follows:

	<u>Balances 10/1/20</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balances 9/30/21</u>	<u>Amounts Due Within One Year</u>
Revenue bonds	\$ 224,205,000	\$ 71,430,000	\$ (9,335,000)	\$ 286,300,000	\$ 10,075,000
Premiums on bonds	21,904,190	9,876,998	(2,125,620)	29,655,568	
Discounts on bonds	(229,242)		11,656	(217,586)	
Totals	<u><u>\$ 245,879,948</u></u>	<u><u>\$ 81,306,998</u></u>	<u><u>\$ (11,448,964)</u></u>	<u><u>\$ 315,737,982</u></u>	<u><u>\$ 10,075,000</u></u>

Annual debt service requirements to maturity are summarized as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2022	\$ 10,075,000	\$ 12,137,102	\$ 22,212,102
2023	11,220,000	11,286,501	22,506,501
2024	11,590,000	10,736,973	22,326,973
2025	12,400,000	10,157,194	22,557,194
2026	13,015,000	9,540,963	22,555,963
2027-2031	75,240,000	37,784,614	113,024,614
2032-2036	50,920,000	24,776,065	75,696,065
2037-2041	49,475,000	14,728,672	64,203,672
2042-2046	34,680,000	5,593,850	40,273,850
2047-2051	17,685,000	1,357,875	19,042,875
Totals	<u>\$ 286,300,000</u>	<u>\$ 138,099,809</u>	<u>\$ 424,399,809</u>

In the bond resolutions, the Authority has the following agreement for the benefit of the holders and beneficial owners of the bonds. The Authority is required to observe the agreement for so long as it remains obligated to advance funds to pay the bonds. Under the agreement, the Authority will be obligated to provide certain updated financial information and operational data annually, and timely notice of specified material events, and certain information to the Municipal Securities Rulemaking Board (“MSRB”). The MSRB has established the Electronic Municipal Market Access (“EMMA”) system.

NOTE 6 - CONTINGENCIES AND COMMITMENTS

Litigation and Other Contingencies

The Authority is contingently liable with respect to lawsuits and other claims in the ordinary course of its operations. The settlement of such contingencies under the budgetary process would not materially affect the financial position of the Authority as of September 30, 2021.

NOTE 7 – STATEWIDE INTEROPERABILITY OF ELECTRONIC TOLL COLLECTIONS

The Authority entered into an agreement by resolution on October 29, 2013 to participate in the Statewide Interoperability of Electronic Toll Collections with Texas Department of Transportation, Harris County (acting through Harris County Toll Road Authority), North Texas Tollway Authority, and Central Texas Regional Mobility Authority for the collection of tolls from customers. The Fort Bend County Toll Road Authority joined the Authority in this agreement through a Joint Project Agreement with the Authority executed on February 19, 2014.

NOTE 8 – CURRENT GASB PRONOUNCEMENTS

The following GASB Pronouncements have been issued for the current fiscal year. Neither of these two new standards had an impact on the Authority’s financial reporting.

- Statement No. 84, *Fiduciary Activities*
- Statement No. 98, *The Annual Comprehensive Financial Report*

OTHER INFORMATION (Unaudited)

FORT BEND COUNTY TOLL ROAD AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)

	Fiscal Year			
	2012	2013	2014	2015
Operating Revenues				
Toll revenue	\$ 19,325,050	\$ 21,853,536	\$ 23,724,115	\$ 26,859,669
Total Operating Revenues	<u>19,325,050</u>	<u>21,853,536</u>	<u>23,724,115</u>	<u>26,859,669</u>
Operating Expenses				
Salaries and personnel costs	31,527	31,549	33,669	152,950
Fees	4,025,316	3,253,537	3,895,313	8,789,161
Utilities	127,960	120,737	125,403	149,918
Depreciation	3,870,677	3,870,676	4,166,469	4,720,593
Total Operating Expenses	<u>8,055,480</u>	<u>7,276,499</u>	<u>8,220,854</u>	<u>13,812,622</u>
Operating Income	11,269,570	14,577,037	15,503,261	13,047,047
Non-Operating Revenues (Expenses)				
Earnings on investments	523,604	180,323	175,305	294,397
Federal reimbursements				
Interest on long-term debt	(1,601,905)	(6,554,994)	(6,446,262)	(7,846,093)
Debt service fees	(6,000)	(17,750)	(14,750)	(11,000)
Debt issuance costs	(1,494,267)			(518,776)
Conveyance of right of way to State				
Total Non-Operating Revenues (Expenses)	<u>(2,578,568)</u>	<u>(6,392,421)</u>	<u>(6,285,707)</u>	<u>(8,081,472)</u>
Income Before Contributions	8,691,002	8,184,616	9,217,554	4,965,575
Capital contributions	761,500			931,164
Change in Net Position	9,452,502	8,184,616	9,217,554	5,896,739
Net Position, Beginning of Year	<u>45,447,738</u>	<u>54,900,240</u>	<u>63,084,856</u>	<u>72,302,410</u>
Net Position, End of Year	<u>\$ 54,900,240</u>	<u>\$ 63,084,856</u>	<u>\$ 72,302,410</u>	<u>\$ 78,199,149</u>

Fiscal Year					
2016	2017	2018	2019	2020	2021
<u>\$ 29,480,671</u>	<u>\$ 27,059,416</u>	<u>\$ 34,222,563</u>	<u>\$ 40,167,473</u>	<u>\$ 35,098,455</u>	<u>\$ 41,775,763</u>
29,480,671	27,059,416	34,222,563	40,167,473	35,098,455	41,775,763
178,611	206,248	247,802	126,422	130,285	115,288
7,433,285	7,943,819	6,958,370	7,914,539	7,803,666	8,944,731
156,604	116,574	138,159	124,682	119,516	130,404
<u>4,726,112</u>	<u>5,237,764</u>	<u>6,349,923</u>	<u>7,121,622</u>	<u>7,288,277</u>	<u>7,288,208</u>
12,494,612	13,504,405	13,694,254	15,287,265	15,341,744	16,478,631
16,986,059	13,555,011	20,528,309	24,880,208	19,756,711	25,297,132
694,415	953,603	1,482,623	2,270,334	1,371,593	366,627
(10,015,947)	(10,748,626)	(10,509,057)	(10,243,186)	(8,361,030)	(8,274,861)
(20,000)	(26,000)	(16,650)	(16,500)	(16,524)	(15,000)
(785,311)				(713,660)	(1,451,977)
			(2,518,385)		
<u>(10,126,843)</u>	<u>(9,821,023)</u>	<u>(9,043,084)</u>	<u>(10,491,078)</u>	<u>(7,719,621)</u>	<u>(9,375,211)</u>
6,859,216	3,733,988	11,485,225	14,389,130	12,037,090	15,921,921
95,000	492,509	50,403		10,267,000	
6,954,216	4,226,497	11,535,628	14,389,130	22,304,090	15,921,921
<u>78,199,149</u>	<u>85,153,365</u>	<u>89,379,862</u>	<u>100,915,490</u>	<u>115,304,620</u>	<u>137,608,710</u>
<u>\$ 85,153,365</u>	<u>\$ 89,379,862</u>	<u>\$ 100,915,490</u>	<u>\$ 115,304,620</u>	<u>\$ 137,608,710</u>	<u>\$ 153,530,631</u>

FORT BEND COUNTY TOLL ROAD AUTHORITY
REVENUES BY TOLL ROAD COMPONENTS/SEGMENTS
LAST TEN FISCAL YEARS
(Unaudited)

Components/Segments	Fiscal Year			
	2012	2013	2014	2015
Parkway:				
Lake Olympia East	\$ 14,465	\$ 15,752	\$ 19,445	\$ 21,279
Lake Olympia West	16,905	18,497	22,021	24,281
McHard East	108,159	131,894	128,686	145,345
McHard West	153,949	182,626	179,106	181,837
Sienna Parkway			200,690	300,429
Main Line Plaza	7,905,653	8,637,580	9,204,622	10,347,699
Fondren - Northbound				
Fondren - Southbound				
Lake Olympia - Northbound				
Lake Olympia - Southbound				
McHard - Northbound				
McHard - Southbound				
Sienna Parkway - Northbound				
Sienna Parkway - Southbound				
Total Parkway	8,199,131	8,986,349	9,754,570	11,020,870
Westpark:				
Katy Gaston - Eastbound				
Katy Gaston - Westbound				
Peek - Eastbound				
Peek - Westbound				
Westmoor - Eastbound				
Westmoor - Westbound				
Total Westpark	10,380,478	12,091,094	13,131,186	14,181,191
Gross Revenues by Toll Plaza	18,579,609	21,077,443	22,885,756	25,202,061
Revenue not Allocated Due to Timing Differences:				
Credit Tolls and Toll Replacement	(23,997)	(11,705)	(21,006)	(1,067)
Toll Violations	769,438	787,798	859,365	1,658,675
Total Revenues	\$ 19,325,050	\$ 21,853,536	\$ 23,724,115	\$ 26,859,669

* Effective FY 2016 revenues by Toll Plaza are allocated based on the Traffic Count table on pages 26 and 27.

Fiscal Year					
2016*	2017	2018	2019	2020	2021
\$	\$	\$	\$	\$	\$
2,437,351	2,264,772	2,371,928	2,691,210	2,565,591	2,718,791
2,180,520	2,052,735	2,164,829	2,457,370	2,355,010	2,521,094
2,007,952	1,740,901	1,639,729	1,854,368	1,708,022	1,744,788
1,802,897	1,564,367	1,511,863	1,704,461	1,593,677	1,683,613
2,458,227	2,286,461	2,411,907	2,743,127	2,604,806	2,786,010
2,226,996	2,079,114	2,218,061	2,505,299	2,403,606	2,605,035
554,144	645,593	746,952	873,495	816,532	892,647
528,199	634,912	721,065	800,199	758,194	825,150
<u>14,196,286</u>	<u>13,268,855</u>	<u>13,786,334</u>	<u>15,629,529</u>	<u>14,805,438</u>	<u>15,777,128</u>
	106	1,513,469	2,143,437	2,002,446	2,375,779
	267	1,520,591	2,124,353	1,943,721	2,311,424
3,095,724	2,905,607	4,011,086	4,432,741	3,658,117	4,190,595
2,699,663	2,434,292	3,340,781	3,687,290	2,952,773	3,537,171
3,645,896	3,404,879	4,672,331	5,148,682	4,295,438	5,013,509
3,638,080	3,282,216	4,532,225	5,007,756	4,040,604	4,619,074
<u>13,079,363</u>	<u>12,027,367</u>	<u>19,590,483</u>	<u>22,544,259</u>	<u>18,893,099</u>	<u>22,047,552</u>
27,275,649	25,296,222	33,376,817	38,173,788	33,698,537	37,824,680
2,205,022	1,763,194	845,746	1,993,685	1,399,918	3,951,083
<u>\$ 29,480,671</u>	<u>\$ 27,059,416</u>	<u>\$ 34,222,563</u>	<u>\$ 40,167,473</u>	<u>\$ 35,098,455</u>	<u>\$ 41,775,763</u>

FORT BEND COUNTY TOLL ROAD AUTHORITY
TRAFFIC COUNT TABLE
LAST TEN FISCAL YEARS
(Unaudited)

Components/Segments	Fiscal Year			
	2012	2013	2014	2015
Parkway:				
Lake Olympia East	40,968	44,931	48,980	82,628
Lake Olympia West	47,800	52,890	55,632	94,384
McHard East	644,356	706,642	724,057	1,207,115
McHard West	641,506	696,284	682,373	1,145,415
Main Line Plaza	5,971,736	6,396,081	6,796,389	11,635,202
Sienna Parkway			552,555	762,257
Fondren - Northbound				
Fondren - Southbound				
Lake Olympia - Northbound				
Lake Olympia - Southbound				
McHard - Northbound				
McHard - Southbound				
Sienna Parkway - Northbound				
Sienna Parkway - Southbound				
Total Parkway Transactions	<u>7,346,366</u>	<u>7,896,828</u>	<u>8,859,986</u>	<u>14,927,001</u>
Westpark:				
Katy Gaston - Eastbound				
Katy Gaston - Westbound				
Peek - Eastbound				
Peek - Westbound				
Westmoor - Eastbound				
Westmoor - Westbound				
Total Westpark Transactions	<u>16,741,990</u>	<u>18,586,669</u>	<u>20,121,013</u>	<u>21,391,903</u>
Total Transactions	<u><u>24,088,356</u></u>	<u><u>26,483,497</u></u>	<u><u>28,980,999</u></u>	<u><u>36,318,904</u></u>

* Effective FY 2016 a system upgrade allowed for more detailed transactional data.

Fiscal Year					
2016*	2017	2018	2019	2020	2021
4,584,913	4,790,191	5,449,596	5,950,115	5,398,582	6,109,257
4,101,788	4,341,714	4,973,778	5,433,111	4,955,473	5,665,022
3,777,168	3,682,159	3,767,341	4,099,904	3,594,064	3,920,625
3,391,439	3,308,774	3,473,562	3,768,468	3,353,456	3,783,162
4,624,183	4,836,066	5,541,449	6,064,902	5,481,099	6,260,302
4,189,214	4,397,508	5,096,079	5,539,077	5,057,729	5,853,643
1,042,404	1,365,485	1,716,150	1,931,249	1,718,167	2,005,821
993,598	1,342,895	1,656,675	1,769,196	1,595,411	1,854,153
<u>26,704,707</u>	<u>28,064,792</u>	<u>31,674,630</u>	<u>34,556,022</u>	<u>31,153,981</u>	<u>35,451,985</u>
	225	2,448,068	3,248,679	3,054,975	3,642,057
	564	2,459,588	3,219,755	2,965,384	3,543,400
5,823,383	6,145,613	6,488,015	6,718,441	5,580,904	6,424,159
5,078,349	5,148,741	5,403,783	5,588,605	4,504,815	5,422,464
6,858,314	7,201,617	7,557,592	7,803,549	6,553,216	7,685,683
6,843,609	6,942,173	7,330,966	7,589,957	6,164,434	7,081,015
<u>24,603,655</u>	<u>25,438,933</u>	<u>31,688,012</u>	<u>34,168,986</u>	<u>28,823,728</u>	<u>33,798,778</u>
<u>51,308,362</u>	<u>53,503,725</u>	<u>63,362,642</u>	<u>68,725,008</u>	<u>59,977,709</u>	<u>69,250,763</u>

FORT BEND COUNTY TOLL ROAD AUTHORITY
HISTORICAL TOLL ROAD OPERATING RESULTS AND COVERAGES
LAST TEN FISCAL YEARS
(Unaudited)

<u>Fiscal Year Ending</u>	<u>Project Revenues</u>	<u>Other Earnings</u>	<u>Senior Lien Debt Service</u>	<u>Coverage Ratio on Senior Lien Revenue Bonds</u>	<u>O & M Expenses</u>	<u>Revenues Available for Unlimited Subordinate Lien Tax Bonds</u>
2012	\$ 19,325,050	\$ 1,286,885	\$ 287,342	71.733	\$ 4,186,584	\$ 16,138,009
2013	21,853,536	180,323	1,126,700	19.556	3,405,823	17,501,336
2014	23,724,115	177,370	1,126,700	21.214	4,056,450	18,718,335
2015	26,859,669	303,786	2,536,940	10.707	8,729,148	15,897,367
2016	29,480,671	789,415	7,063,361	4.286	7,768,501	15,438,224
2017	27,059,416	953,603	7,749,800	3.615	8,266,641	11,996,578
2018	34,222,563	1,482,623	7,802,563	4.576	7,344,331	20,558,292
2019	40,167,473	2,270,334	8,109,063	5.233	8,165,643	26,163,101
2020	35,098,455	1,371,593	8,415,724	4.334	8,053,467	20,000,857
2021	41,775,763	366,627	8,722,875	4.831	9,190,423	24,229,092

Debt Service Bonds	Coverage Ratio on Unlimited Subordinate Lien Tax Bonds
\$ 5,134,341	3.143
8,615,726	2.031
8,185,431	2.287
8,813,001	1.804
8,849,625	1.745
9,351,375	1.283
9,927,375	2.071
10,163,125	2.574
9,655,443	2.071
10,333,851	2.345

FORT BEND COUNTY TOLL ROAD AUTHORITY
TOLL RATE SCHEDULE
(Unaudited)

Toll Rate Schedule Effective as of January 1, 2020

Two-Axle Vehicles

Parkway Toll Road	\$	0.44-0.81
Westpark Toll Road	\$	0.72-0.87

Three to Six Axle Vehicles

Parkway Toll Road	\$	0.88-3.44
Westpark Toll Road	\$	1.44-3.77

Toll Rate Schedule Effective as of January 1, 2021

Two-Axle Vehicles

Parkway Toll Road	\$	0.45-0.82
Westpark Toll Road	\$	0.74-0.89

Three to Six Axle Vehicles

Parkway Toll Road	\$	0.90-3.50
Westpark Toll Road	\$	1.48-3.85

REPORT OF INDEPENDENT AUDITORS 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

To the Board of Directors
Fort Bend County Toll Road Authority
Fort Bend County, Texas

We have audited, in accordance with the 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 Fort Bend County Toll Road Authority (the "Authority"), a component unit of Fort Bend County, Texas, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 18, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority'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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 entity'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 may exist that have not been identified.

To the Board of Directors
Fort Bend County Toll Road Authority
Fort Bend County, Texas

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority'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 financial statements. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive, flowing style.

Houston, Texas
March 18, 2022