OFFICIAL STATEMENT DATED SEPTEMBER 5, 2019

THE DELIVERY OF THE BONDS IS SUBJECT TO THE OPINIONS OF BOND COUNSEL AS TO THE VALIDITY OF THE BONDS AND OF SPECIAL TAX COUNSEL TO THE EFFECT THAT INTEREST ON THE BONDS IS EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES UNDER EXISTING LAW AND THE INTEREST ON THE BONDS IS NOT SUBJECT TO THE ALTERNATIVE MINIMUM TAX ON INDIVIDUALS. SEE "LEGAL MATTERS" AND "TAX MATTERS" FOR A DISCUSSION OF THE OPINIONS OF BOND COUNSEL AND SPECIAL TAX COUNSEL.

The District has designated the Bonds as "qualified tax-exempt obligations" for financial institutions. See "TAX MATTERS - Qualified Tax-exempt Obligations for Financial Institutions" herein.

NEW ISSUE - Book-Entry Only

Ratings: S&P Global Ratings (BAM Insured) . . . . "AA" (stable outlook)
S&P Global Ratings (Underlying) . . . . "A" (stable outlook)
See "BOND INSURANCE" and "RATINGS" herein.

$8,880,000
NORTH MISSION GLEN MUNICIPAL UTILITY DISTRICT
(A Political Subdivision of the State of Texas, located within Fort Bend County and Harris County, Texas)
UNLIMITED TAX REFUNDING BONDS, SERIES 2019

Dated: October 1, 2019

Due: September 1, as shown below

Principal of the above bonds (the "Bonds") is payable to the registered owner thereof (the "Registered Owner") at the principal payment office of the paying agent/registrar, initially, The Bank of New York Mellon Trust Company, N. A., currently in Dallas, Texas, or any successor paying agent/registrar (the "Paying Agent," "Registrar" or "Paying Agent/Registrar"). Interest on the Bonds accrues from October 1, 2019, and is payable on March 1, 2020 (five-month interest payment), and on each September 1 and March 1 thereafter until the earlier of maturity or prior redemption. The Bonds are issued in denominations of $5,000 or any integral multiple thereof.

The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Beneficial owners of the Bonds will not receive physical certificates representing the Bonds, but will receive a credit balance on the books of the nominees of such beneficial owners. So long as Cede & Co. is the registered owner of the Bonds, the principal of and interest on the Bonds will be paid by the Paying Agent directly to DTC, which will, in turn, remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds as described herein. See "THE BONDS – Book-Entry-Only System."

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurently with the delivery of the Bonds by Build America Mutual Assurance Company ("BAM" or the "Insurer").

MATURITY SCHEDULE
CUSIP Prefix (a) 661164

Principal Amount	Maturity (Due September 1)	Interest Rate	Initial Reoffering Yield (b)	CUSIP Suffix (a)	Principal Amount	Maturity (Due September 1)	Interest Rate	Initial Reoffering Yield (b)	CUSIP Suffix (a)
$ 70,000	2020	3.00%	1.30%	NM1	$1,080,000	2027(c)	2.000%	1.86%	NU3
310,000	2021	3.00	1.30	NN9	1,110,000	2028(c)	2.000	2.02	NV1
305,000	2022	3.00	1.35	NP4	1,135,000	2029(c)	2.000	2.17	NW9
315,000	2023	3.00	1.40	NQ2	1,165,000	2030(c)	2.500	2.30	NX7
315,000	2024	3.00	1.50	NR0	1,200,000	2031(c)	2.125	2.47	NY5
325,000	2025(c)	3.00	1.58	NS8	1,235,000	2032(c)	3.000	1.97	NZ2
315,000	2026(c)	2.00	1.70	NT6					

(a) CUSIP is a registered trademark of the American Bankers Association. CUSIP data is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of the American Bankers Association. CUSIP numbers have been assigned to this issue by the CUSIP Service Bureau and are included solely for the convenience of the owners of the Bonds. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP services. Neither the District (defined herein), the Financial Advisor (defined herein), nor the Underwriters (defined herein) take any responsibility for the accuracy of CUSIP numbers.

(b) Information with respect to the initial reoffering yields of the Bonds is the responsibility of the Underwriters. Initial reoffering yields represent the initial offering price to the public which has been established by the Underwriters for public offerings, and which subsequently may be changed.

(c) The Bonds maturing on and after September 1, 2025, are subject to redemption prior to maturity at the option of North Mission Glen Municipal Utility District (the "District"), as a whole or in part, on September 1, 2024, or any date thereafter, at a price equal to the principal amount thereof plus accrued interest from the most recent interest payment date to the date fixed for redemption.

The proceeds of the sale of the Bonds, plus certain funds of the District that are lawfully available for such purpose, will be applied to refund certain outstanding bonds of the District and to pay certain costs incurred in connection with the issuance of the Bonds. See "PLAN OF FINANCING - Use of Bond Proceeds." The Bonds, when issued, constitute valid and binding obligations of the District, payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property located within the District. See "THE BONDS – Source of Payment."

Neither the State of Texas; the City of Houston, Texas; Fort Bend County, Texas; Harris County, Texas; nor any political subdivision other than the District shall be obligated to pay the principal of and interest on the Bonds. Neither the faith and credit nor the taxing power of the State of Texas; the City of Houston, Texas; Fort Bend County, Texas, Harris County, Texas, or any political subdivision other than the District, is pledged to the payment of the principal of and interest on the Bonds. The Bonds are subject to special investment considerations described herein. See "INVESTMENT CONSIDERATIONS."

The Bonds are offered subject to prior sale, when, as and if issued by the District and accepted by the Underwriters, subject among other things to the approval of the Attorney General of Texas; Coats Rose, P.C., Houston, Texas, Bond Counsel; and McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Special Tax Counsel. Certain legal matters will be passed upon for the Underwriters by McCall, Parkhurst & Horton L.L.P., Houston, Texas. Delivery of the Bonds in book-entry form through DTC is expected on or about October 10, 2019.

SAMCO CAPITAL MARKETS **RBC CAPITAL MARKETS**

TABLE OF CONTENTS

USE OF INFORMATION IN OFFICIAL STATEMENT

No dealer, broker, salesman or other person has been authorized by the District or the Underwriters (hereinafter defined) to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the District or the Underwriters.

This Official Statement does not constitute, and is not authorized by the District for use in connection with, an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

All of the summaries of the statutes, resolutions, orders, contracts, audits, engineering and other related reports set forth in this Official Statement are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents, copies of which are available from the District upon payment of the costs for duplication therefor.

This Official Statement contains, in part, estimates, assumptions and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates, assumptions or matters of opinion, or as to the likelihood that they will be realized. Any information and expressions of opinion herein contained are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the condition of the District or other matters described herein since the date hereof; however, the District has agreed to keep this Official Statement current by amendment or sticker to reflect material changes in the affairs of the District and to the extent that information actually comes to its attention, the other matters described in this Official Statement until delivery of the Bonds to the Underwriters and thereafter only as described under "OFFICIAL STATEMENT - Updating of Official Statement."

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

Neither the District nor the Underwriters make any representations as to the accuracy, completeness, or adequacy of the information supplied by The Depository Trust Company for use in this Official Statement.

This Official Statement contains "forward-looking" statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, which generally can be identified with words or phrases such as "anticipates," "believes," "could," "estimates," "expects," "foresees," "may," "predict," "should," "will" or other words or phrases of similar import. All statements included in this Official Statement that any person expects or anticipates will, should or may occur in the future are forward-looking statements. These statements are based on assumptions and analyses made in light of experience and perceptions of historical trends, current conditions and expected future developments as well as other factors the District believes are appropriate in the circumstances. However, whether actual results and developments conform with expectations and predictions is subject to a number of risks and uncertainties, including, without limitation, the information discussed under "INVESTMENT CONSIDERATIONS" in this Official Statement, as well as additional factors beyond the District's control. The important risk factors and assumptions described under that caption and elsewhere herein could cause actual results to differ materially from those expressed in any forward-looking statement. All of the forward-looking statements made in this Official Statement are qualified by these cautionary statements.

Build America Mutual Assurance Company ("BAM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM supplied by BAM and presented under the heading "BOND INSURANCE" and "APPENDIX C - SPECIMEN OF MUNICIPAL BOND INSURANCE POLICY."

SALE AND DISTRIBUTION OF THE BONDS

Underwriting

SAMCO Capital Markets, Inc. and RBC Capital Markets, LLC (together referred to herein as the "Underwriters") have agreed to purchase the Bonds from the District for $8,925,751.75 (an amount equal to the principal amount of the Bonds, less an Underwriters' discount of $61,982.40, plus a net original issue premium of $107,734.15), plus accrued interest on the Bonds from October 1, 2019, to the date of delivery.

RBC has provided the following information for inclusion in this Official Statement: RBC and its respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial, and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, RBC and its respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support, or interest rate swaps). RBC and its respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offerings of the District. RBC and its respective affiliates may also communicate independent investment recommendations, market color, or trading ideas and publish independent research views in respect of this securities offering or other offerings of the District. RBC and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future.

Prices and Marketability

The delivery of the Bonds is conditioned upon the receipt by the District of a certificate executed and delivered by the Underwriters on or before the date of delivery of the Bonds stating the prices at which a substantial amount of the Bonds of each maturity have been sold to the public. For this purpose, the term "public" shall not include any person who is a bond house, broker or similar person acting in the capacity of underwriters or wholesaler. Otherwise, the District has no understanding with the Underwriters regarding the reoffering yields or prices of the Bonds. Information concerning reoffering yields or prices is the responsibility of the Underwriters.

The District has no control over trading of the Bonds in the secondary market. Moreover, there is no guarantee that a secondary market will be made in the Bonds. In such a secondary market, if any, the difference between the bid and asked prices of the Bonds may be greater than the difference between the bid and asked prices of bonds of comparable maturity and quality issued by more traditional municipal entities, as bonds of such entities are more generally bought, sold or traded in the secondary market.

The prices and other terms respecting the offering and sale of the Bonds may be changed from time to time by the Underwriters after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering price, including sales to dealers who may sell the Bonds into investment accounts. IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Securities Laws

No registration statement relating to the Bonds has been filed with the United States Securities and Exchange Commission under the Securities Act of 1933, as amended, in reliance upon exemptions provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been registered or qualified under the securities laws of any other jurisdiction. The District assumes no responsibility for registration or qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be offered, sold or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM" or the "Insurer") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281; its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of June 30, 2019 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $525 million, $114 million and $411 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE."

BAM GreenStar Bonds

The Bonds have been designated BAM GreenStar Bonds because BAM has determined that the use of bond proceeds by the Issuer as described in this Official Statement and in any additional information obtained by BAM aligns with one of the Green Bond Principals (GBPs) developed by the International Capital Markets Association (ICMA). The GBPs were developed by the ICMA with the goal of establishing universally accepted guidelines for the issuance of green bonds, and one of the key requirements addresses the use of proceeds. BAM has been identified by the ICMA as an observer organization that is active in the field of green and/or social or sustainability finance and is Climate Bond Initiative approved verifier. The Credit Profile prepared by BAM for the Bonds will identify which of the following GBP categories applies to the Bonds:

- renewable energy
- energy efficiency
- pollution prevention and control
- environmentally sustainable management of living natural resources and land use
- terrestrial and aquatic biodiversity
- clean transportation
- climate change adaptation
- sustainable water and wastewater management
- green buildings

Each of the GBPs correlates to one of the following UN Sustainable Development Goals which will also be included in the Credit Profile for the Bonds:

- clean water and sanitation
- affordable and clean energy
- sustainable cities and communities
- industry innovation and infrastructure
- responsible consumption and production
- climate action
- life below water
- life on land

For projects under construction, the bond obligor has agreed to furnish annual information to BAM on the status of the project until completion, which will be reflected in the BAM Credit Profile for the Bonds.

The BAM GreenStar designation is based upon information obtained from the Issuer and its representatives, which sources BAM believes to be reliable, at the time of the issuance of the Bonds. BAM does not charge a fee in connection with the designation, does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. The designation is provided on an "AS IS" basis. BAM makes no representation or warranty, express or implied, including, but not limited to, the accuracy, results, timeliness, completeness, merchantability or fitness for any particular purpose with respect to the designation. A complete description of BAM GreenStar, and its limitations and terms of use, are available on BAM's website https://buildamerica.com/greenstar and https://buildamerica.com/terms-of-use and incorporated herein by reference. The BAM GreenStar designation is determined solely by BAM; it has not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for such designation.

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at buildamerica.com/creditinsights/. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at buildamerica.com/obligor/. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insights videos are prepared by BAM and have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and they assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

BOND INSURANCE RISK FACTORS

In the event of default of the payment of principal or interest with respect to the Bonds when all or some becomes due, any owner of the Bonds shall have a claim under the Policy for such payments.

In the event the Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds are payable solely from the moneys received pursuant to the applicable bond documents. In the event the Insurer becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

The long-term ratings on the Bonds are dependent in part on the financial strength of the Insurer and its claim paying ability. The Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Insurer and of the ratings on the Bonds insured by the Insurer will not be subject to downgrade and such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds. See “BOND INSURANCE” and “RATINGS” herein.

The obligations of the Insurer are contractual obligations and in an event of default by the Insurer, the remedies available may be limited by applicable bankruptcy law or state law related to insolvency of insurance companies.

Neither the District nor the Underwriters has made independent investigation into the claims paying ability of the Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal and interest on the Bonds and the claims paying ability of the Insurer, particularly over the life of the investment. See “BOND INSURANCE” herein for further information provided by the Insurer and the Policy, which includes further instructions for obtaining current financial information concerning the Insurer.

RATINGS

S&P Global Ratings ("Standard & Poor's") is a business unit of Standard & Poor's Financial Services LLC. Standard & Poor's is located at 55 Water Street, New York, New York 10041, telephone number (212) 208-8000 and has engaged in providing ratings for corporate bonds since 1923 and municipal bonds since 1940. Long-term debt ratings assigned by Standard & Poor's reflect its analysis of the overall level of credit risk involved in financings. At present Standard & Poor's assigns long-term debt ratings with symbols "AAA" (the highest rating) through "D" (the lowest ratings).

The Bonds are expected to receive an insured rating of "AA" (stable outlook) from Standard & Poor's based upon the issuance of the Policy by the Insurer at the time of delivery of the Bonds. The underlying credit rating of the Bonds assigned by Standard & Poor's is "A" (stable outlook).

An explanation of the significance of the foregoing ratings may only be obtained from Standard & Poor's. The foregoing ratings express only the view of Standard & Poor's at the time the ratings are given. Furthermore, a security rating is not a recommendation to buy, sell or hold securities. There is no assurance that the ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by Standard & Poor's, if, in its judgment, circumstances so warrant. Any such downward change in or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

The District is not aware of any ratings assigned the Bonds other than the ratings of Standard & Poor's.

OFFICIAL STATEMENT SUMMARY

The following summary of certain information contained herein is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. The reader should refer particularly to sections that are indicated for more detailed information.

THE BONDS

The Issuer	North Mission Glen Municipal Utility District (the "District") is a political subdivision of the State of Texas located in Fort Bend County and Harris County, Texas. See "THE DISTRICT."
Description	$8,880,000 Unlimited Tax Refunding Bonds, Series 2019 (the "Bonds"), are dated October 1, 2019. The Bonds mature on September 1 in each of the years and in the principal amounts indicated on the cover page of this Official Statement. Interest on the Bonds accrues from October 1, 2019, and is payable on March 1, 2020 (five-month interest payment) and on each September 1 and March 1 thereafter until maturity or prior redemption. Bonds scheduled to mature on and after September 1, 2025, are subject to early redemption, in whole or in part, at the option of the District, on September 1, 2024, or on any date thereafter. Upon redemption, the Bonds will be payable at a price equal to the principal amount of the Bonds, or portions thereof, so called for redemption plus accrued interest to the date fixed for redemption. See "THE BONDS - General" and - "Redemption Provisions." The Bonds will be issued pursuant to a bond resolution (the "Bond Resolution") adopted by the Board of Directors of the District. The Bonds are being issued under the authority of Article XVI, Section 59 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, as amended, and Chapter 1207, Texas Government Code, as amended.
Book-Entry-Only System	The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of DTC, pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of $5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the beneficial owners thereof. Principal of and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds (see "THE BONDS - Book-Entry-Only System").
Source of Payment	Principal of and interest on the Bonds are payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property located within the District. The Bonds are obligations of the District and are not obligations of Fort Bend County, Texas; Harris County, Texas; the City of Houston, Texas; the State of Texas, or any political subdivision other than the District. See "THE BONDS - Source of Payment," "INVESTMENT CONSIDERATIONS - Maximum Impact on District Tax Rates" and "TAX DATA - Tax Rate Calculations."

Other Characteristics	The Bonds will be issued in fully registered form in the denomination of $5,000 each, or integral multiples thereof.
Use of Proceeds	The proceeds of the sale of the Bonds, plus certain District funds on hand that are lawfully available for such purpose, will be applied to refund $8,515,000 of the principal amount of the Unlimited Tax Refunding Bonds, Series 2012 (the "Series 2012 Refunding Bonds"). The Series 2012 Refunding Bonds that are refunded with the proceeds of the Bonds are hereinafter collectively referred to as the "Refunded Bonds." The proceeds of the sale of the Bonds will also be used to pay the costs of issuance of the Bonds. The Bonds are being issued to reduce the District's debt service payments. See "PLAN OF FINANCING."
Payment Record	In addition to the Series 2012 Refunding Bonds, the District has issued Unlimited Tax Bonds Series 1983 (the "Series 1983 Bonds"), Unlimited Tax Bonds, Series 1985 (the "Series 1985 Bonds"), Unlimited Tax Refunding Bonds, Series 1993 (the "Series 1993 Refunding Bonds"), Unlimited Tax Bonds, Series 1996 (the "Series 1996 Bonds"), Unlimited Tax Bonds, Series 1999 (the "Series 1999 Bonds'), Unlimited Tax Refunding Bonds, Series 2001 (the "Series 2001 Refunding Bonds"), Unlimited Tax Bonds, Series 2001A (the "Series 2001A Bonds"), Unlimited Tax Bonds, Series 2002 (the "Series 2002 Bonds"), Unlimited Tax Bonds, Series 2003 (the "Series 2003 Bonds"), Unlimited Tax Bonds, Series 2005 (the "Series 2005 Bonds"), Unlimited Tax Refunding Bonds, Series 2005A (the "Series 2005A Refunding Bonds"), Unlimited Tax Refunding Bonds, Unlimited Tax Refunding Bonds, Series 2010 (the "Series 2010 Refunding Bonds"), Unlimited Tax Bonds, Series 2011 (the "Series 2011 Bonds"), Unlimited Tax Refunding Bonds, Series 2013 (the "Series 2013 Refunding Bonds") and Unlimited Tax Refunding Bonds, Series 2017 (the "Series 2017 Refunding Bonds"). All of such bonds previously issued by the District are hereinafter sometimes together referred to as the "Prior Bonds." The District has never defaulted in the timely payment of principal of and interest on the Prior Bonds. Before the issuance of the Bonds, the principal amount of the Prior Bonds that had not been retired by the District is $20,820,000 (the "Outstanding Bonds"). After issuance of the Bonds and the refunding of the Refunded Bonds, the aggregate principal amount of the Outstanding Bonds, less the principal amounts thereof previously retired by the District, and less the Refunded Bonds, will be $12,305,000 (the "Remaining Outstanding Bonds"), and the aggregate principal amount of the District's bonded indebtedness, including the Bonds, will be $21,185,000. See "DISTRICT DEBT - Debt Service Requirements." In addition to the acquisition, construction, rehabilitation, and repair of the components of the System that the District has financed with portions of the proceeds of the sale of the Prior Bonds, the District expects to finance the acquisition, construction, rehabilitation or repair of additional components of the System with portions of the proceeds of the sale of bonds, if any, in the future. See "DISTRICT DEBT - Debt Service Requirements."

Authorized but Unissued Bonds	$22,420,000 bonds for waterworks, sanitary sewer, and drainage facilities and for refunding purposes and $3,000,692.85 bonds for refunding only purposes will remain authorized but unissued after issuance of the Bonds. See "THE BONDS - Issuance of Additional Debt."
Municipal Bond Insurance	Build America Mutual Assurance Company ("BAM"). See "BOND INSURANCE."
Municipal Bond Ratings	S&P Global Ratings (BAM insured) "AA" (stable outlook). S&P Global Ratings (Underlying) "A" (stable outlook). See "BOND INSURANCE" and "RATINGS."
Qualified Tax-Exempt Obligations	The District has designated the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 (b) of the Internal Revenue Code of 1986, as amended. See "QUALIFIED TAX-EXEMPT OBLIGATIONS FOR FINANCIAL INSTITUTIONS."
Legal and Tax Opinions	Coats Rose, P.C., Houston, Texas, Bond Counsel; and McCall, Parkhurst & Horton, L.L.P., Dallas, Texas, Special Tax Counsel. See "LEGAL MATTERS" and "TAX EXEMPTION."
Verification Agent	Robert Thomas CPA, LLC, Certified Public Accountants.

THE DISTRICT

Description	North Mission Glen Municipal Utility District, a political subdivision of the State of Texas, was created by the Texas Water Commission, predecessor to the Texas Commission on Environmental Quality (the "TCEQ"), on December 10, 1980. The District contains approximately 669.47 acres of land. The District is located entirely within the extraterritorial jurisdiction of the City of Houston, Texas, approximately 18 miles west of the central business district of Houston, Texas, substantially in the northeastern portion of Fort Bend County, Texas (approximately 3.709 acres in the District lie within Harris County). See "THE DISTRICT - Authority" and - "Description," "AERIAL PHOTOGRAPH OF THE DISTRICT," and "APPENDIX A - LOCATION MAP." The District is bounded on the north by Mission Bend Municipal Utility District No. 1 and on the east by Richmond-Gaines Road. Kingsbridge Municipal Utility District lies to the east of the District. Access to the District is provided through Mission Bend Municipal Utility District No. 1 by way of Addicks-Clodine Road and along the west boundary of Kingsbridge Municipal Utility District by way of Richmond-Gaines Road. The entirety of the District is located within the boundaries of the West Keegans Bayou Improvement District (the "Drainage District"), which provides major outfall drainage and flood protection for approximately 2,352 acres of land, and thus all of the land located within the District is subject to taxation by the Drainage District. The Drainage District has issued bonds to finance certain drainage improvements to Keegans Bayou which benefit the District. See "District Tax Levy and Overlapping District Taxes and Functions" below, and "INVESTMENT CONSIDERATIONS - Economic Factors Affecting Taxable Values and Tax Payments."

Authority . . . . The rights, powers, privileges, authority and functions of the District are established by Article XVI, Section 59 of the Constitution of the State of Texas and the general laws of the State of Texas pertaining to municipal utility districts, particularly Chapters 49 and 54 of the Texas Water Code, as amended. See "THE DISTRICT - Authority."

Development of the District . . . . As of August 1, 2019, the District contained 2,894 homes. The District contains approximately 669.47 acres of land. The development of the entirety of the developable land located within the District (approximately 655.58 acres), except for 12 acres of currently undeveloped land, is complete as is described below. Such approximately 655.58 acres have been subdivided into (i) 2,894 single-family residential lots (approximately 632.36 acres) on all of which lots single-family residences have been constructed and all of such 2,894 single-family residences have been sold to home purchasers, (ii) approximately 12 acres of currently undeveloped land expected to be developed for commercial usage; (iii) approximately 10.38 acres which have been developed for commercial usage, and (iv) a recreational reserve containing approximately 0.84 acres. The balance of the land located within the District is contained within road rights-of-way, easements, or District plant sites; is devoted to park, recreational or open space usage; or is otherwise not available for development, including certain acres contained within the platted areas of subdivisions that have been developed in the District.

The District financed its cost of construction, acquisition, rehabilitation, and repair of water supply and distribution, wastewater collection and treatment, and storm drainage facilities (the "System") to serve all of the lots located within the subdivisions and other development which are described above and in this Official Statement under the caption "DEVELOPMENT OF THE DISTRICT," and other facilities, with proceeds of the sale of the Prior Bonds. In addition to the acquisition, construction, rehabilitation, and repair of the components of the System that the District has financed with portions of the proceeds of the sale of the Prior Bonds, the District expects to finance the acquisition, construction, rehabilitation or repair of additional components of the System with portions of the proceeds of the sale of bonds, if any, in the future. See "THE BONDS - Issuance of Additional Debt," "INVESTMENT CONSIDERATIONS - Future Debt," "DEVELOPMENT OF THE DISTRICT" and "THE SYSTEM."

District Tax Levy and Overlapping District Taxes and Functions . . . . The entirety of the District is located within the Drainage District. The Drainage District, which covers 2,352 acres of land, has issued bonds to finance the acquisition or construction of drainage improvements to provide major outfall drainage and flood protection to areas which lie within the Drainage District, all of which bonds the Drainage District has fully paid and discharged. Therefore, as of the date of this Official Statement, the Drainage District has retired all of its bonds and has no outstanding debt payable from taxes. See "THE SYSTEM - West Keegans Bayou Improvement District." The Drainage District levies a tax on the land located within the District, which tax is in addition to the tax levied by the District. The District levied a debt service tax rate of $0.40 per $100 of Assessed Valuation and a maintenance tax of $0.12 per $100 of Assessed Valuation for 2018, and anticipates levying a debt service tax rate of $0.38 per $100 of Assessed Valuation and a maintenance tax of $0.13 per $100 of Assessed Valuation for 2019. The Drainage District levied a total tax of $0.094 per $100 of Assessed Valuation for 2018, all of which is a maintenance tax, and anticipates levying the same rate for 2019. The District's combined anticipated 2019 tax rate of $0.51 per $100 of Assessed Valuation plus the Drainage District's anticipated 2019 tax rate of $0.094 per $100 of Assessed Valuation is $0.604 per $100 of Assessed Valuation. Moreover, the aggregate of the 2018 tax levies of all units of government which levy taxes against property located within the District plus the District’s and the Drainage District’s anticipated 2019 tax rate is $2.467056 per $100 of Assessed Valuation. See “INVESTMENT CONSIDERATIONS - Maximum Impact on District Tax Rates” and - “District Tax Levy and Overlapping District Taxes and Functions” and “TAX DATA - Tax Rate Calculations” and - “Estimated Overlapping Taxes.”

INVESTMENT CONSIDERATIONS

THE BONDS ARE SUBJECT TO SPECIAL INVESTMENT CONSIDERATIONS AS SET FORTH IN THIS OFFICIAL STATEMENT. PROSPECTIVE PURCHASERS SHOULD CAREFULLY EXAMINE THE ENTIRE OFFICIAL STATEMENT BEFORE MAKING THEIR INVESTMENT DECISIONS, ESPECIALLY THE PORTION OF THE OFFICIAL STATEMENT ENTITLED “INVESTMENT CONSIDERATIONS.”

SELECTED FINANCIAL INFORMATION
(Unaudited)

2018 Assessed Valuation . . . . (As of January 1, 2018) See "TAXING PROCEDURES" and "TAX DATA."	$489,785,681(a)
2019 Assessed Valuation . . . . (As of January 1, 2019) See "TAXING PROCEDURES" and "TAX DATA."	$506,844,136(b)
Direct Debt: Remaining Outstanding Bonds	$ 12,305,000(c)
The Bonds	8,880,000(c)
Total	$ 21,185,000(c)
Estimated Overlapping Debt	$ 17,190,395(c)
Direct and Estimated Overlapping Debt	$ 38,375,395(c)
Direct Debt Ratios	
: as a percentage of 2018 Assessed Valuation	4.33%
: as a percentage of 2019 Assessed Valuation	4.18%
Direct and Estimated Overlapping Debt Ratios	
: as a percentage of 2018 Assessed Valuation	7.84%
: as a percentage of 2019 Assessed Valuation	7.57%
Debt Service Fund Balance Estimated as of Delivery of the Bonds	$ 1,931,786(d)
General Fund Balance as of August 13, 2019	$ 6,222,873
Average Percentage of Total Tax Collections 2008-2017 . . . . As of July 31, 2019.	99.90%
Percentage of Tax Collections 2018 Tax Levy As of July 31, 2019. In process of collection..	98.04%

2018 Tax Rate per $100 of Assessed Valuation

The District		
Debt Service Tax	$0.40	
Maintenance Tax	0.12	
Total		$0.520(e)
West Keegans Bayou Improvement District		0.094(e)
Total		$0.614(e)

Anticipated 2019 Tax Rate per $100 of Assessed Valuation

The District		
Debt Service Tax	$0.38	
Maintenance Tax	0.13	
Total		$0.510(e)
West Keegans Bayou Improvement District		0.094(e)
Total		$0.604(e)

Average Annual Debt Service Requirements of the Bonds and the Remaining Outstanding Bonds (2020-2032)	$ 1,922,196
Maximum Annual Debt Service Requirement of the Bonds and the Remaining Outstanding Bonds (2032)	$ 1,967,850
Debt Service Tax Rate per $100 of Assessed Valuation required to pay Average Annual Debt Service Requirements of the Bonds and the Remaining Outstanding Bonds	
Based Upon 2018 Assessed Valuation ($489,785,681) at 95% tax collections . .	$0.42
Based Upon 2019 Assessed Valuation ($506,844,136) at 95% tax collections . .	$0.40
Debt Service Tax Rate per $100 of Assessed Valuation required to pay Maximum Annual Debt Service Requirement of the Bonds and the Remaining Outstanding Bonds	
Based upon 2018 Assessed Valuation ($489,785,681) at 95% tax collections . . .	$0.43
Based Upon 2019 Assessed Valuation ($506,844,136) at 95% tax collections . .	$0.41
Number of Single-Family Housing Units	2,894

(a) As of January 1, 2018. All property in the District is valued on the tax rolls by the Fort Bend Central Appraisal District and the Harris County Appraisal District (the "Appraisal Districts") at 100% of assessed valuation as of January 1 of each year. The District's tax roll is certified by the Fort Bend County Appraisal Review Board and the Harris County Appraisal Review Board (the "Appraisal Review Boards"). See "TAXING PROCEDURES."

(b) As of January 1, 2019. Such sum includes certain values which have not been certified by the Appraisal Review Board, including the value of certain properties which has been proposed by the Appraisal District but protested by the owners thereof to the Appraisal District. The Appraisal District has proposed the total of such protested values to be $1,090,541. Since the District is unable to predict the amount of the District's final 2019 Assessed Valuation, 95% of such total protest value of $1,090,541, or $1,036,014, is included in the 2019 Assessed Valuation of $506,844,136, enumerated in this Official Statement. Such final 2019 Assessed Valuation will not be determined until the valuation of all taxable property located within the District is certified by the Appraisal Review Board for 2019.

(c) Excludes the Refunded Bonds. See "THE BONDS - Issuance of Additional Debt" and "DISTRICT DEBT." In addition to the acquisition, construction, rehabilitation, and repair of the components of the System that the District has financed with portions of the proceeds of the sale of the Prior Bonds, the District expects to finance the acquisition, construction, rehabilitation or repair of additional components of the System with portions of the proceeds of the sale of bonds, if any, in the future. See "THE BONDS - Issuance of Additional Debt," "INVESTMENT CONSIDERATIONS - Future Debt," "DEVELOPMENT OF THE DISTRICT" and "THE SYSTEM."

(d) Neither Texas law nor the Bond Resolution requires that the District maintain any particular sum in the Debt Service Fund. Such sum gives effect to the contribution of $6,000 of District funds lawfully available for such purpose to the refunding of the Refunded Bonds. Such fund balance also gives effect to the timely payment by the District of the entirety of its debt service requirements that were due in 2019. The District's initial debt service payment on the Bonds is due on March 1, 2020, and consists of a five-month interest payment thereon.

(e) The District levied a debt service tax rate of $0.40 per $100 of Assessed Valuation and a maintenance tax of $0.12 per $100 of Assessed Valuation for 2018, and anticipates levying a debt service tax rate of $0.38 per $100 of Assessed Valuation and a maintenance tax of $0.13 per $100 of Assessed Valuation for 2019. The Drainage District levied a total tax of $0.094 per $100 of Assessed Valuation for 2018, all of which is a maintenance tax, and anticipates levying the same rate for 2019. The District's combined anticipated 2019 tax rate of $0.51 per $100 of Assessed Valuation plus the Drainage District's anticipated 2019 tax rate of $0.094 per $100 of Assessed Valuation is $0.604 per $100 of Assessed Valuation. Moreover, the aggregate of the 2018 tax levies of all units of government which levy taxes against property located within the District plus the District's and the Drainage District's anticipated 2019 tax rate is $2.467056 per $100 of Assessed Valuation. See "INVESTMENT CONSIDERATIONS - Maximum Impact on District Tax Rates" and - "District Tax Levy and Overlapping District Taxes and Functions" and "TAX DATA - Tax Rate Calculations" and - "Estimated Overlapping Taxes."

NORTH MISSION GLEN MUNICIPAL UTILITY DISTRICT
UNLIMITED TAX REFUNDING BONDS
SERIES 2019

INTRODUCTION

This Official Statement provides certain information with respect to the issuance by North Mission Glen Municipal Utility District (the "District") of its Unlimited Tax Refunding Bonds, Series 2019 (the "Bonds").

The following is a description of certain terms and conditions of the Bonds, which description is qualified in its entirety by reference to the resolution of the Board of Directors of the District (the "Board") authorizing the issuance of the Bonds (the "Bond Resolution"). A copy of the Bond Resolution may be obtained from the District upon request and payment of the costs of duplication thereof. The Bond Resolution authorizes the issuance and sale of the Bonds and prescribes the terms, conditions and provisions for the payment of the principal of and interest on the Bonds by the District.

THE BONDS

General

The Bonds are dated and will accrue interest from October 1, 2019 (or the most recent interest payment date to which interest has been paid or duly provided for) at the stated interest rates indicated on the cover page of this Official Statement. Interest on the Bonds is payable on March 1, 2020 (five-month interest payment), and on each September 1 and March 1 thereafter until maturity or prior redemption. The Bonds will be issued as fully registered bonds in the denomination of $5,000 or any integral multiple thereof. Principal of the Bonds will be payable by the paying agent/registrar, initially, The Bank of New York Mellon Trust Company, N.A., in Dallas, Texas, or any successor paying agent/registrar (the "Paying Agent," "Registrar" or "Paying Agent/Registrar"). Interest on the Bonds is based on a 360-day year of twelve 30-day months. The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Beneficial owners of the Bonds will not receive physical certificates representing the Bonds, but will receive a credit balance on the books of the nominees of such beneficial owners. So long as Cede & Co. is the registered owner of the Bonds, the principal of and interest on the Bonds will be paid by the Paying Agent directly to DTC, which will, in turn, remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds as described below under "Book-Entry-Only System."

Book-Entry-Only System

This section describes how ownership of the Bonds is to be transferred and how the principal of and interest on the Bonds are to be paid to and credited by The Depository Trust Company, New York, New York, ("DTC") while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The District and the Financial Advisor believe the source of such information to be reliable, but neither of the District or the Financial Advisor takes any responsibility for the accuracy or completeness thereof.

The District cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

Use of Certain Terms in Other Sections of this Official Statement

In reading this Official Statement it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and, (ii) except as described above, notices that are to be given to registered owners under the Bond Resolution will be given only to DTC.

Record Date

The record date for payment of the interest on any regularly scheduled interest payment date is defined as the 15th day of the month (whether or not a business day) preceding such interest payment date.

Assignments, Transfers and Exchanges

In the event the book-entry-only system is discontinued, the Bonds may be transferred, registered and assigned only on the registration books of the Registrar, and such registration and transfer shall be without expense or service charge to the Registered Owner, except for any tax or other governmental charges required to be paid with respect to such registration and transfer. A Bond may be assigned by the execution of an assignment form on the Bonds or by other instrument of transfer and assignment acceptable to the Registrar. At any time after the date of delivery of the Bonds to the Underwriters, any Bond may be transferred or exchanged upon its presentment and surrender at the office of the Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the Registered Owner or assignee of the owner in not more than three business days after the receipt of the request in proper form to transfer or exchange the Bonds. New Bonds registered and delivered in an exchange or transfer shall be in denominations of $5,000 or any integral multiple thereof for any one maturity and for a like aggregate principal amount as the Bond or Bonds surrendered for exchange or transfer. Neither the District nor the Registrar is required (1) to transfer or exchange any Bond during a period beginning at the opening of business on a Record Date and ending at the close of business on the next succeeding interest payment date, or (2) to transfer or exchange any Bond selected for redemption in whole or in part within forty-five (45) calendar days of the redemption date. The District has agreed to replace mutilated, destroyed, lost or stolen Bonds upon surrender of the mutilated Bonds, or on receipt of satisfactory evidence of such destruction, loss or theft and receipt by the District and the Registrar of security or indemnity to keep them harmless. The District will require payment of taxes, governmental charges and other expenses in connection with any such replacement.

Replacement of Bonds

In the event the book-entry-only system is discontinued, the District has agreed to replace mutilated, destroyed, lost or stolen Bonds upon surrender of the mutilated Bond at the corporate trust office of the Registrar, in Dallas, Texas, or receipt of satisfactory evidence by the Registrar of such destruction, loss or theft, and receipt by the District and the Registrar of security or indemnity to keep them harmless. The District and the Registrar may require payment of taxes, governmental charges and other expenses in connection with any such replacement.

Authorization of the Bonds

At elections held within the District on April 4, 1981, September 18, 1993, January 17, 1998, and May 8, 2010, the voters of the District authorized the issuance of $43,295,000 in unlimited tax bonds for construction purposes and for refunding such bonds, $12,420,000 in unlimited tax bonds for construction only purposes, and $11,420,000 in bonds for refunding only purposes. Following the issuance of the Bonds, $22,420,000 principal amount of the unlimited tax bonds for construction or refunding purposes, and $3,000,692.85 in bonds for refunding only purposes will remain authorized but unissued. The Bonds are issued pursuant to the authority of the Bond Resolution; Article XVI, Section 59 of the Texas Constitution; Chapters 49 and 54 of the Texas Water Code, as amended; and Chapter 1207, Texas Government Code, as amended. See "Issuance of Additional Debt" below.

Source of Payment

The Bonds, when issued, will constitute valid and binding obligations of the District, and the principal thereof and the interest thereon, together with the principal and interest on the Remaining Outstanding Bonds and any additional tax bonds of the District as may hereafter be issued by the District, are payable from and secured by the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount levied against all taxable property located within the District. See "TAXING PROCEDURES" and "TAX DATA - Tax Rate Calculations" for tax adequacy, manner of assessing and collecting taxes, and the remedy to the District in the event of tax delinquencies; and "Registered Owners' Remedies" below for the remedies available to Bondholders in the event of default in the performance of any of the covenants set forth in the Bond Resolution or in the event of default in the payment of principal of or interest on the Bonds.

The Bonds are solely obligations of the District and are not obligations of the State of Texas; Fort Bend County, Texas; Harris County, Texas; the City of Houston, Texas, or any political subdivision or agency other than the District.

The District has the authority to levy an annual ad valorem tax without limit as to rate or amount on all taxable property within the District for each year the Bonds are outstanding. In the Bond Resolution, the District has covenanted to establish a rate of taxation each year ample and sufficient to provide funds to pay the interest on the Bonds and to pay the principal when due, full allowance being made for delinquencies and costs of collection.

Redemption Provisions

Bonds maturing on September 1, 2025, and thereafter, are subject to redemption and payment prior to their scheduled maturities at the option of the District, in whole or from time to time in part, on September 1, 2024, or on any date thereafter, at a redemption price equal to the principal amount thereof, plus accrued interest to the date of redemption. Notice of redemption is required to be mailed at least thirty (30) days prior to the redemption date to each of the Registered Owners of the Bonds to be redeemed in whole or in part at the address shown on the bond register.

If fewer than all of the Bonds are redeemed at any time, the particular maturities and amounts of the Bonds to be redeemed shall be selected by the District in denominations of $5,000 or any integral multiple thereof, and if fewer than all of the Bonds within a maturity are to be redeemed, the Registrar shall designate by method of random selection the Bonds within such maturity to be redeemed (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form). The registered owner of any Bond, all or a portion of which has been called for redemption, shall be required to present same to the Registrar for payment of the redemption price on the portion of the Bond so called for redemption and issuance of a new Bond in the principal amount equal to the portion of such Bond not redeemed.

Defeasance

The Bond Resolution provides that the District may discharge its obligations to the Registered Owners of any or all of the Bonds to pay principal, interest and redemption price thereon in any manner permitted by law. Under current Texas law, such discharge may be accomplished either (i) by depositing with the Comptroller of Public Accounts of the State of Texas a sum of money equal to the principal of, premium, if any, and all interest to accrue on the Bonds to maturity or redemption or (ii) by depositing with any place of payment (paying agent) of the Bonds or other obligations of the District payable from revenues or from ad valorem taxes or both, or with a commercial bank or trust company designated in the proceedings authorizing such discharge, amounts sufficient to provide for the payment and/or redemption of the Bonds; provided that such deposits may be invested and reinvested only in (a) direct noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the District adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (c) non-callable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the District adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent. The foregoing obligations may be in book entry form and shall mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment and/or redemption of the Bonds. If any of such Bonds are to be redeemed prior to their respective dates of maturity, provision must have been made for giving notice of redemption as provided in the Bond Resolution.

Upon such deposit as described above, such Bonds shall no longer be regarded as outstanding or unpaid. After firm banking and financial arrangements for the discharge and final payment or redemption of the Bonds have been made as described above, all rights of the District to initiate proceedings to call the Bonds for redemption or take any other action amending the terms of the Bonds are extinguished; provided, however, that the right to call the Bonds for redemption is not extinguished if the District: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption; (ii) gives notice of the reservation of that right to the owners of the Bonds immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

There is no assurance that the current law will not be changed in the future in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds. Because the Bond Resolution does not contractually limit such investments, Registered Owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality of those currently permitted under Texas law.

Amendments to Bond Resolution

The Bond Resolution contains provisions that the District may, without the consent of or notice to any Registered Owners of the Bonds, amend, change or modify the Resolution as may be required (a) by the provisions thereof, (b) for the purpose of curing any ambiguity, inconsistency, or formal defect or omission therein, or (c) in connection with any other change which is not to the prejudice of the Registered Owners of the Bonds. Except for such amendments, changes, or modifications, the District shall not amend, change or modify the Resolution in any manner without the consent of the Registered Owners of the Bonds.

Annexation and Consolidation

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City of Houston, the District must conform to a City of Houston consent ordinance. Generally, the District may be annexed by the City of Houston without the District's consent, and the City cannot annex territory within the District unless it annexes the entire district. However, the City of Houston may not annex the District unless (i) such annexation has been approved by a majority of those voting in an election held for that purpose within the area to be annexed, and (ii) if the registered voters in the area to be annexed do not own more than 50 percent of the land in the area, a petition has been signed by more than 50 percent of the landowners consenting to the annexation. Notwithstanding the preceding sentence, the described election and petition process does not apply during the term of a strategic partnership agreement between a municipality and the District specifying the procedures for full purpose annexation of all or a portion of the District. When any bonds or other obligations of the District payable in whole or in part from ad valorem taxes have been assumed by the City, the City is required to levy and cause to be collected, upon all taxable property within the City, taxes sufficient to pay principal of and interest on any such bonds or obligations as they become due and payable. The City may issue refunding bonds in its own name to refund any bonds or obligations so assumed. No representation is made that the City will ever abolish the District and assume its debt, nor that the City would be able to pay such debt service obligations if it were to annex the District.

A district (such as the District) has the legal authority to consolidate with other districts and, in connection therewith, to provide for the consolidation of its assets, such as cash and the utility system, with the assets of districts with which it is consolidating as well as its liabilities (which would include the Remaining Outstanding Bonds and the Bonds). No representation is made concerning the likelihood of consolidation.

Strategic Partnership

The District is authorized to enter into a strategic partnership agreement with the City of Houston to provide the terms and conditions under which the services would be provided and funded by the parties and under which the District would continue to exist for an extended period if the land within the District were to annexed for full or limited purposes by the City. The terms of any such agreement would be determined by the City and the District and could provide for the conversion of a limited purpose annexation to a general purpose annexation within ten years, or the payment of a fee in lieu of annexation to be derived from residential property within the District based on the costs of providing municipal services to the District. Although the City has negotiated and entered into such an agreement with one or more other districts in its extraterritorial jurisdiction, none is currently contemplated with respect to the District, although no representation can be made regarding the future likelihood of an agreement or the terms thereof.

Issuance of Additional Debt

With the approval of the Texas Commission on Environmental Quality (the “TCEQ”), the District may issue additional bonds necessary to provide improvements and facilities consistent with the purposes for which the District was created. The District's voters have authorized the issuance of $43,295,000 in unlimited tax bonds for construction purposes and for refunding such bonds, $12,420,000 in unlimited tax bonds for construction only purposes, and $11,420,000 in bonds for refunding only purposes. Following the issuance of the Bonds, $22,420,000 principal amount of the unlimited tax bonds for construction or refunding purposes, and $3,000,692.85 in bonds for refunding only purposes will remain authorized but unissued. The Bond Resolution imposes no limitation on the amount of additional parity bonds which may be issued by the District (if authorized by the District's voters and approved by the Board and the TCEQ). In addition to the acquisition, construction, rehabilitation, and repair of the components of the System that the District has financed with portions of the proceeds of the sale of the Prior Bonds, the District expects to finance the acquisition, construction, rehabilitation or repair of additional components of the System with portions of the proceeds of the sale of bonds, if any, in the future. See “INVESTMENT CONSIDERATIONS - Future Debt,” “DEVELOPMENT OF THE DISTRICT” and “THE SYSTEM.”

The District also is authorized by statute to engage in fire-fighting activities, including the issuing of bonds payable from taxes for such purposes. Before the District could issue such bonds, the following actions would be required: (a) authorization of a detailed master plan and bonds for such purpose by the qualified voters in the District; (b) approval of the master plan and bonds by the TCEQ; and (c) approval of bonds by the Attorney General of Texas. The Board has not considered calling an election at this time for such purposes. The District has no information concerning any determination by the City of Houston with respect to modification of its ordinance. If additional debt obligations are issued in the future by the District, such issuance may increase gross debt/property ratios and might adversely affect the investment security of the Bonds. See “INVESTMENT CONSIDERATIONS - Future Debt.”

The District is also authorized by statute to pay for the development and maintenance of parks and recreational facilities (excluding swimming pools and golf courses) and may issue bonds payable from taxes for such purposes if approved by the voters within the District. The Board has not called an election for such purposes nor has it indicated an intention to do so. However, the Board could call such an election in the future. Issuance of bonds for parks and recreational facilities could dilute the investment security of the Bonds.

Under certain circumstances the District also is authorized to construct roads. It is not anticipated at this time that the District will participate in such activities.

Registered Owners' Remedies

Pursuant to Texas law, the Bond Resolution provides that in the event the District defaults in the payment of the principal of or interest on any of the Bonds when due, fails to make payments required by the Bond Resolution into the Debt Service Fund, or defaults in the observance or performance of any of the other covenants, conditions, or obligations set forth in the Bond Resolution, any Registered Owner shall be entitled to seek a writ of mandamus from a court of competent jurisdiction compelling and requiring the District to make such payments or to observe and perform such covenants, obligations or conditions. Such right is in addition to other rights the Registered Owners may be provided by the laws of the State of Texas.

In the event of default in the payment of principal of or interest on the Bonds, the Registered Owners may seek a writ of mandamus requiring the District to levy adequate taxes to make such payments. Except for the remedy of mandamus, the Bond Resolution does not specifically provide for remedies to a Registered Owner in the event of a District default. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Further, there is no trust indenture or trustee, and all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the Registered Owners. Statutory language authorizing local governments such as the District to sue and be sued does not waive the local government's sovereign immunity from suits for money damages, so that in the absence of other waivers of such immunity by the Texas Legislature, a default by the District in its covenants in the Bond Resolution may not be reduced to a judgement for money damages. If such a judgment against the District were obtained, it could not be enforced by direct levy and execution against the District's property. Further, the Registered Owners cannot themselves foreclose on the property of the District or sell property within the District in order to pay the principal of or interest on the Bonds. The enforceability of the rights and remedies of the Registered Owners may be further limited by laws relating to bankruptcy, reorganization, or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. For example, a Chapter 9 bankruptcy proceeding by the District could delay or eliminate payment of principal or interest to the Registered Owners. See "Bankruptcy Limitation to Registered Owners' Rights" below and "INVESTMENT CONSIDERATIONS - Registered Owners' Remedies and Bankruptcy."

Bankruptcy Limitation to Registered Owners' Rights

The enforceability of the rights and remedies of the Registered Owners may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. Subject to the requirements of Texas law, the District may voluntarily proceed under Chapter 9 of the Federal Bankruptcy Code, 11 U.S.C. §§901-946, if the District: (1) is generally authorized to file for federal bankruptcy protection by State law; (2) is insolvent or unable to meet its debts as they mature; (3) desires to effect a plan to adjust such debts; and (4) has either obtained the agreement of or negotiated in good faith with its creditors or is unable to negotiate with its creditors because negotiation is impracticable. Under Texas law, a municipal utility district such as the District must obtain the approval of the TCEQ prior to filing for bankruptcy. The TCEQ must investigate the financial condition of the District and will authorize the District to proceed only if the TCEQ determines that the District has fully exercised its rights and powers under Texas law and remains unable to meet its debts and other obligations as they mature.

If the District decides in the future to proceed voluntarily under the Federal Bankruptcy Code, the District would develop and file a plan for the adjustment of its debts, and the Bankruptcy Court would confirm the District's plan if: (1) the plan complies with the applicable provisions of the Federal Bankruptcy Code; (2) all payments to be made in connection with the plan are fully disclosed and reasonable; (3) the District is not prohibited by law from taking any action necessary to carry out the plan; (4) administrative expenses are paid in full; and (5) the plan is in the best interests of creditors and is feasible. If such a plan were confirmed by the bankruptcy court, it could, among other things, affect a Registered Owner by reducing or eliminating the amount of indebtedness, deferring or rearranging the debt service schedule, reducing or eliminating the interest rate, modifying or abrogating collateral or security arrangements, substituting (in whole or in part) other securities, and otherwise compromising and modifying the rights and remedies of such Registered Owner's claim against the District.

The District may not be placed into bankruptcy involuntarily.

Legal Investment and Eligibility to Secure Public Funds in Texas

The following is quoted from Section 49.186 of the Texas Water Code, and is applicable to the District:

"(a) All bonds, notes, and other obligations issued by a district shall be legal and authorized investments for all banks, trust companies, building and loan associations, savings and loan associations, insurance companies of all kinds and types, fiduciaries, and trustees, and for all interest and sinking funds and other public funds of the state, and all agencies, subdivisions, and instrumentalities of the state, including all counties, cities, towns, villages, school districts, and all other kinds and types of districts, public agencies, and bodies politic.

"(b) A district's bonds, notes, and other obligations are eligible and lawful security for all deposits of public funds of the state, and all agencies, subdivisions, and instrumentalities of the state, including all counties, cities, towns, villages, school districts, and all other kinds and types of districts, public agencies, and bodies politic, to the extent of the market value of the bonds, notes, and other obligations when accompanied by any unmatured interest coupons attached to them."

The Public Funds Collateral Act (Chapter 2257, Texas Government Code) also provides that bonds of the District (including the Bonds) are eligible as collateral for public funds.

No representation is made that the Bonds will be suitable for or acceptable to financial or public entities for investment or collateral purposes. No representation is made concerning other laws, rules, regulations or investment criteria which apply to or which might be utilized by any of such persons or entities to limit the acceptability or suitability of the Bonds for any of the foregoing purposes. Prospective purchasers are urged to carefully evaluate the investment quality of the Bonds as to the suitability or acceptability of the Bonds for investment or collateral purposes.

PLAN OF FINANCING

Use of Bond Proceeds

The proceeds of the sale of the Bonds, plus certain District funds on hand that are lawfully available for such purpose, will be applied to refund $8,515,000 of the principal amount of the Unlimited Tax Refunding Bonds, Series 2012 (the "Series 2012 Refunding Bonds"). The Series 2012 Refunding Bonds that are refunded with the proceeds of the Bonds are hereinafter collectively referred to as the "Refunded Bonds." The proceeds of the sale of the Bonds will also be used to pay the costs of issuance of the Bonds. The Bonds are being issued to reduce the District's debt service payments.

Refunded Bonds

The principal amounts and maturity dates (or mandatory redemption amounts and dates, as applicable) of the Refunded Bonds are set forth below.

Maturity September 1	Series 2012 Refunding Bonds Principal Amount
2021	$ 255,000
2022	250,000
2023	260,000
2024	260,000
2025	270,000
2026	265,000
2027	1,035,000
2028	1,080,000
2029	1,130,000
2030	1,180,000
2031	1,235,000
2032	1,295,000
	$8,515,000
Redemption Date:	10/11/19

Aggregate Principal Amount of Refunded Bonds: $8,515,000

Payment of the Refunded Bonds

The Refunded Bonds, and the interest due thereon, are to be paid on the redemption date from funds to be deposited with The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, as paying agent for the Refunded Bonds (the "Paying Agent for the Refunded Bonds").

The Bond Resolution provides that from the proceeds of the sale of the Bonds and other available funds of the District, the District will deposit with the Paying Agent for the Refunded Bonds the amount necessary to accomplish the discharge and final payment of the Refunded Bonds. Such funds will be held by the Paying Agent for the Refunded Bonds in a segregated payment account (the "Payment Account"). At the time of delivery of the Bonds, Robert Thomas, CPA, LLC, will verify to the District, the Paying Agent for the Refunded Bonds and the Financial Advisor that the monies held in the Payment Account are sufficient to pay, when due, the principal of and interest on the Refunded Bonds. See "VERIFICATION OF ACCURACY OF MATHEMATICAL COMPUTATIONS." By the deposit of the cash with the Paying Agent for the Refunded Bonds and the making of irrevocable arrangements for the giving of notice of redemption of the Refunded Bonds, the terms of the prior resolution of the District securing payment of the Refunded Bonds shall have been satisfied and such Refunded Bonds will no longer be considered outstanding except for the payment out of amounts so deposited, and the amounts so deposited in the Payment Account will constitute firm banking arrangements under Texas law for the discharge and final payment of the Refunded Bonds.

The Non-Refunded Bonds (Remaining Outstanding Bonds)

In addition to the Series 2012 Refunding Bonds, the District has issued Unlimited Tax Bonds Series 1983 (the "Series 1983 Bonds"), Unlimited Tax Bonds, Series 1985 (the "Series 1985 Bonds"), Unlimited Tax Refunding Bonds, Series 1993 (the "Series 1993 Refunding Bonds"), Unlimited Tax Bonds, Series 1996 (the "Series 1996 Bonds"), Unlimited Tax Bonds, Series 1999 (the "Series 1999 Bonds'), Unlimited Tax Refunding Bonds, Series 2001 (the "Series 2001 Refunding Bonds"), Unlimited Tax Bonds, Series 2001A (the "Series 2001A Bonds"), Unlimited Tax Bonds, Series 2002 (the "Series 2002 Bonds"), Unlimited Tax Bonds, Series 2003 (the "Series 2003 Bonds"), Unlimited Tax Bonds, Series 2005 (the "Series 2005 Bonds"), Unlimited Tax Refunding Bonds, Series 2005A (the "Series 2005A Refunding Bonds"), Unlimited Tax Refunding Bonds, Unlimited Tax Refunding Bonds, Series 2010 (the "Series 2010 Refunding Bonds"), Unlimited Tax Bonds, Series 2011 (the "Series 2011 Bonds"), Unlimited Tax Refunding Bonds, Series 2013 (the "Series 2013 Refunding Bonds") and Unlimited Tax Bonds, Series 2017 (the "Series 2017 Bonds"). All of such bonds previously issued by the District are hereinafter sometimes together referred to as the "Prior Bonds." The District has never defaulted in the timely payment of principal of and interest on the Prior Bonds. Before the issuance of the Bonds, the principal amount of the Prior Bonds that had not been retired by the District is $20,820,000 (the "Outstanding Bonds"). After issuance of the Bonds and the refunding of the Refunded Bonds, the aggregate principal amount of the Outstanding Bonds, less the principal amounts thereof previously retired by the District, and less the Refunded Bonds, will be $12,305,000 (the "Remaining Outstanding Bonds"), and the aggregate principal amount of the District's bonded indebtedness, including the Bonds, will be $21,185,000. See "DISTRICT DEBT - Debt Service Requirements." In addition to the acquisition, construction, rehabilitation, and repair of the components of the System that the District has financed with portions of the proceeds of the sale of the Prior Bonds, the District expects to finance the acquisition, construction, rehabilitation or repair of additional components of the System with portions of the proceeds of the sale of bonds, if any, in the future. See "DISTRICT DEBT - Debt Service Requirements."

The principal amounts and maturity dates (or mandatory redemption amounts and dates, as applicable) of the Remaining Outstanding Bonds are set forth below.

Maturity Date September 1	**Series 2011 Bonds**	**Series 2012 Refunding Bonds**	**Series 2013 Refunding Bonds**	**Series 2017 Refunding Bonds**
2020	$25,000	$170,000	$550,000	$ 425,000
2021			500,000	460,000
2022			525,000	495,000
2023			535,000	505,000
2024			570,000	515,000
2025			595,000	540,000
2026			620,000	560,000
2027			475,000	45,000
2028			500,000	45,000
2029			520,000	45,000
2030			540,000	45,000
2031			560,000	45,000
2032			575,000	45,000
2033				615,000
2034				660,000
	$25,000	$170,000	$7,065,000	$5,045,000

Total principal amount of the Non-Refunded Bonds $12,305,000

Use of Bond Proceeds

The proceeds from the sale of the Bonds will be applied as follows:

SOURCES OF FUNDS:

Principal Amount of Bonds	$8,880,000.00
Plus: District Contribution	6,000.00
Accrued Interest	5,341.88
Net Original Issue Premium	107,734.15
Total Sources of Funds	$8,999,076.03

USES OF FUNDS:

Deposit with Paying Agent for Refunded Bonds	$8,552,844.44
Deposit Accrued Interest to Debt Service Fund	5,341.88
Expenses:	
Underwriters' Discount	61,892.40
Bond Insurance and Other Issuance Expenses	378,997.31
Total Uses of Funds	$8,999,076.03

INVESTMENT CONSIDERATIONS

General

The Bonds, which are obligations of the District and not of the State of Texas; Fort Bend County, Texas; Harris County, Texas; the City of Houston, Texas, or any political subdivision other than the District, are secured by an annual ad valorem tax, without legal limitation as to rate or amount, on all taxable property located within the District. See "THE BONDS - Source of Payment." The ultimate security for payment of the principal of and interest on the Bonds depends upon the ability of the District to collect from the property owners within the District taxes levied against all taxable property located within the District or, in the event taxes are not collected and foreclosure proceedings are instituted by the District, upon the value of the taxable property with respect to taxes levied by the District and by other taxing authorities. The District makes no representations that over the life of the Bonds the property within the District will maintain a value sufficient to justify continued payment of taxes by the property owners. The potential increase in taxable valuation of District property is directly related to the economics of the residential housing industry, not only due to general economic conditions, but also due to the particular factors discussed below.

Economic Factors Affecting Taxable Values and Tax Payments

A substantial percentage of the assessed valuation of the property located within the District is attributable to the current market value of single-family residences that have been constructed within the District. The market value of such homes is related to general economic conditions affecting the demand for residences. Demand for homes can be significantly affected by factors such as interest rates, credit availability, construction costs, energy availability and costs and the prosperity and demographic characteristics of the urban center toward which the marketing of lots is directed. Decreased levels of construction activity would tend to restrict the growth of property values in the District or could adversely impact such values. Further declines in the price of oil could adversely affect job stability, wages and salaries, thereby negatively affecting the values of existing homes. Recent changes in federal tax law limiting deductions for ad valorem taxes may also adversely affect the values of existing homes. Were the District to experience a significant number of residential foreclosures, the value of all homes within the District could be adversely affected. Although, as is described in this Official Statement under the caption "DEVELOPMENT OF THE DISTRICT," the development of an aggregate of 2,894 single-family residential lots located in the District has been completed on all 2,894 of which single-family homes have been completed and sold to home purchasers, the District cannot predict whether the taxable valuation of District property will be maintained at any particular level of valuation. See "TAXING PROCEDURES."

Maximum Impact on District Tax Rates

Assuming no further construction of homes within the District other than those which have heretofore been constructed, the value of the land and improvements currently located within the District will be a major determinant of the ability of the District to collect, and the willingness of District property owners to pay, ad valorem taxes levied by the District. The 2018 Assessed Valuation of property within the District is $489,785,681 (see "TAX DATA"). After issuance of the Bonds, the Maximum Annual Debt Service Requirement of the Bonds and the Remaining Outstanding Bonds will be $1,967,850 (2032), and the Average Annual Debt Service Requirements will be $1,922,196 (2020 through 2032, inclusive). Assuming no increase to or decrease from the 2018 Assessed Valuation, the sale of no additional bonds by the District, and no use of other legally available District funds, tax rates of $0.43 and $0.42 per $100 of Assessed Valuation at a 95% tax collection rate would be necessary to pay the Maximum Annual Debt Service Requirement and the Average Annual Debt Service Requirements of the Bonds and the Remaining Outstanding Bonds, respectively. The 2019 Assessed Valuation of property within the District is $506,844,136 (see "TAX DATA"). Assuming no increase to or decrease from the 2019 Assessed Valuation, the sale of no additional bonds by the District, and no use of other legally available District funds, tax rates of $0.41 and $0.40 per $100 of Assessed Valuation at a 95% tax collection rate would be necessary to pay the Maximum Annual Debt Service Requirement and the Average Annual Debt Service Requirements of the Bonds and the Remaining Outstanding Bonds, respectively. The District levied a debt service tax rate of $0.40 per $100 of Assessed Valuation and a maintenance tax of $0.12 per $100 of Assessed Valuation for 2018, and anticipates levying a debt service tax rate of $0.38 per $100 of Assessed Valuation and a maintenance tax of $0.13 per $100 of Assessed Valuation for 2019. As the foregoing calculations indicate, the anticipated 2019 debt service tax rate will not be sufficient to pay the debt service requirements on the Bonds and the Remaining Outstanding Bonds assuming no increase to the 2018 Assessed Valuation or the 2019 Assessed Valuation, a tax collection rate of 95%, no use of District funds on hand and the sale of no additional bonds by the District. However, as is illustrated above under the caption “TAX DATA - Historical Values and Tax Collection History,” the District has collected an average of 99.90% of its 2008 through 2017 tax levies as of July 31, 2019, and its 2018 tax rate was 98.04% collected as of such date. Moreover, the District's Debt Service Fund balance is estimated to be $1,931,786 as of the date of delivery of the Bonds. Although neither Texas law nor the Bond Resolution requires that any specific amount be retained in the Debt Service Fund at any time, the District expects to apply earnings from the investment of monies held in the Debt Service Fund to meet the debt service requirements of the Bonds and the Remaining Outstanding Bonds. The District has in the past applied earnings from the investment of monies held in the Debt Service Fund to meet the debt service requirements of the Prior Bonds as is delineated in “APPENDIX B - ANNUAL FINANCIAL REPORT” that is appended to this Official Statement. Therefore, the District anticipates that it will be able to meet debt service requirements on the Bonds and the Remaining Outstanding Bonds without increasing the tax rate for debt service above the debt service rate which the District anticipates levying for 2019 - $0.38 per $100 of Assessed Valuation. However, the District can make no representation that the taxable property values in the District will maintain a value sufficient to support the aforementioned tax rate or to justify continued payment of taxes by property owners. See “TAX DATA - Tax Rate Calculations.” In addition to the acquisition, construction, rehabilitation, and repair of the components of the System that the District has financed with portions of the proceeds of the sale of the Prior Bonds, the District expects to finance the acquisition, construction, rehabilitation or repair of additional components of the System with portions of the proceeds of the sale of bonds, if any, in the future. See “THE BONDS - Issuance of Additional Debt,” “INVESTMENT CONSIDERATIONS - Future Debt,” “DEVELOPMENT OF THE DISTRICT” and “THE SYSTEM.”

District Tax Levy and Overlapping District Taxes and Functions

The entirety of the District is located within the Drainage District. The Drainage District, which covers 2,352 acres of land, has issued bonds to finance the acquisition or construction of drainage improvements to provide major outfall drainage and flood protection to areas which lie within the Drainage District, all of which bonds the Drainage District has fully paid and discharged. Therefore, as of the date of this Official Statement, the Drainage District has retired all of its bonds and has no outstanding debt payable from taxes. See “THE SYSTEM - West Keegans Bayou Improvement District.” The Drainage District levies a tax on the land located within the District, which tax is in addition to the tax levied by the District. The District levied a debt service tax rate of $0.40 per $100 of Assessed Valuation and a maintenance tax of $0.12 per $100 of Assessed Valuation for 2018, and anticipates levying a debt service tax rate of $0.38 per $100 of Assessed Valuation and a maintenance tax of $0.13 per $100 of Assessed Valuation for 2019. The Drainage District levied a total tax of $0.094 per $100 of Assessed Valuation for 2018, all of which is a maintenance tax, and anticipates levying the same rate for 2019. The District's combined anticipated 2019 tax rate of $0.51 per $100 of Assessed Valuation plus the Drainage District's anticipated 2019 tax rate of $0.094 per $100 of Assessed Valuation is $0.604 per $100 of Assessed Valuation. Moreover, the aggregate of the 2018 tax levies of all units of government which levy taxes against property located within the District plus the District’s and the Drainage District’s anticipated 2019 tax rate is $2.467056 per $100 of Assessed Valuation. See “TAX DATA - Tax Rate Calculations” and - “Estimated Overlapping Taxes.” Increases in the District's tax rate to levels higher than the combined rate of $0.604 per $100 of Assessed Valuation which the District and the Drainage District anticipate levying for 2019 may have an adverse impact on the ability of the District to collect, and the willingness of owners of property located within the District to pay, ad valorem taxes levied by the District. In addition, the collection by the District of delinquent taxes owed to it and the enforcement by a Registered Owner of the District's obligations to collect sufficient taxes may be a costly and lengthy process. See “TAXING PROCEDURES - District's Rights in the Event of Tax Delinquencies.”

Tax Collection Limitations

The District's ability to make debt service payments may be adversely affected by its inability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien in favor of the District on a parity with the liens of all other taxing authorities on the property against which taxes are levied, and such lien may be enforced by foreclosure. The District's ability to collect ad valorem taxes through such foreclosure may be impaired by the amount of taxes owed to other taxing units, a bankruptcy court's stay of tax collection procedures against a taxpayer, and market conditions limiting the proceeds from a foreclosure sale of taxable property. The District's lien on taxable property within the District for taxes levied against such property can be foreclosed only in a judicial proceeding. See “TAXING PROCEDURES - District's Rights in the Event of Tax Delinquencies.”

Registered Owners' Remedies and Bankruptcy

In the event of default in the payment of principal of or interest on the Bonds, the Registered Owners have a right to seek a writ of mandamus requiring the District to levy adequate taxes each year to make such payments. Except for mandamus, the Bond Resolution does not provide for other remedies to protect and enforce the interests of the Registered Owners. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Statutory language authorizing local governments such as the District to sue and be sued does not waive the local government's sovereign immunity from suits for money damages, so that in the absence of other waivers of such immunity by the Texas Legislature, a default by the District in its covenants in the Bond Order may not be reduced to a judgment for money damages. Even if the Registered Owners could obtain a judgment against the District, such a judgment could not be enforced by a direct levy and execution against the District's property. Further, the Registered Owners cannot themselves foreclose on property within the District or sell property of the District in order to pay the principal of and interest on the Bonds. Because there is no trust indenture or trustee, the Registered Owners would have to initiate and finance the legal process to enforce their remedies. The enforceability of the rights and remedies of the Registered Owners further may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. In this regard, should the District file a petition for protection from creditors under federal bankruptcy laws, a suit seeking the remedy of mandamus would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge. See "THE BONDS - Bankruptcy Limitation to Registered Owners' Rights."

Marketability

The District has no understanding (other than the initial reoffering yields) with the Underwriters regarding the reoffering yields or prices of the Bonds and has no control over the trading of the Bonds in the secondary market. There is no assurance that a secondary market will be made for the Bonds. If there is a secondary market, the difference between the bid and asked price of the Bonds may be greater than the bid and asked spread of other bonds generally bought, sold or traded in the secondary market. See "SALE AND DISTRIBUTION OF THE BONDS."

Future Debt

The District has the right to issue the remaining $22,420,000 authorized but unissued bonds for waterworks, wastewater, and drainage facilities or for refunding such bonds and $3,000,692.85 in bonds for refunding only purposes (see "THE BONDS - Issuance of Additional Debt"), and such additional bonds as may hereafter be approved by both the Board and voters of the District. The District also has the right to issue certain other additional bonds, special project bonds, and other obligations described in the Bond Resolution. All of the remaining $22,420,000 in bonds for waterworks, wastewater, and drainage facilities which have heretofore been authorized by the voters of the District may be issued by the District from time to time as needed. The issuance of such $22,420,000 in bonds for waterworks, wastewater, and drainage facilities is also subject to TCEQ authorization. In addition to the acquisition, construction, rehabilitation, and repair of the components of the System that the District has financed with portions of the proceeds of the sale of the Prior Bonds, the District expects to finance the acquisition, construction, rehabilitation or repair of additional components of the System with portions of the proceeds of the sale of bonds, if any, in the future. See "THE BONDS - Issuance of Additional Debt," "DEVELOPMENT OF THE DISTRICT" and "THE SYSTEM."

If additional bonds are issued in the future and property values have not increased or have not been maintained proportionately, such issuance may increase gross debt/property valuation ratios and thereby adversely affect the investment quality or security of the Bonds and the Remaining Outstanding Bonds.

Continuing Compliance with Certain Covenants

The Bond Resolution contains covenants by the District intended to preserve the exclusion from gross income of interest on the Bonds. Failure by the District to comply with such covenants on a continuous basis prior to maturity of the Bonds could result in interest on the Bonds becoming taxable retroactively to the date of original issuance. See "TAX EXEMPTION."

Environmental Regulation

Wastewater treatment, water supply, storm sewer facilities and construction activities within the District are subject to complex environmental laws and regulations at the federal, state and local levels that may require or prohibit certain activities that affect the environment, such as:

- Requiring permits for construction and operation of water wells, wastewater treatment and other facilities;
- Restricting the manner in which wastes are treated and released into the air, water and soils;
- Restricting or regulating the use of wetlands or other properties; or
- Requiring remedial action to prevent or mitigate pollution.

Sanctions against a municipal utility district or other type of special purpose district for failure to comply with environmental laws and regulations may include a variety of civil and criminal enforcement measures, including assessment of monetary penalties, imposition of remedial requirements and issuance of injunctions to ensure future compliance. Environmental laws and compliance with environmental laws and regulations can increase the cost of planning, designing, constructing and operating water production and wastewater treatment facilities. Environmental laws can also inhibit growth and development within the District. Further, changes in regulations occur frequently, and any changes that result in more stringent and costly requirements could materially impact the District.

Air Quality Issues

Air quality control measures required by the United States Environmental Protection Agency (the "EPA") and the Texas Commission on Environmental Quality (the "TCEQ") may impact new industrial, commercial and residential development in the Houston area. Under the Clean Air Act ("CAA") Amendments of 1990, the eight-county Houston-Galveston-Brazoria area ("HGB Area")-Harris, Galveston, Brazoria, Chambers, Fort Bend, Waller, Montgomery and Liberty Counties-has been designated a nonattainment area under three separate federal ozone standards: the one-hour (124 parts per billion ("ppb")) and eight-hour (84 ppb) standards promulgated by the EPA in 1997 (the "1997 Ozone Standards"); the tighter, eight-hour ozone standard of 75 ppb promulgated by the EPA in 2008 (the "2008 Ozone Standard"), and the EPA's most-recent promulgation of an even lower, 70 ppb eight-hour ozone standard in 2015 (the "2015 Ozone Standard"). While the State of Texas has been able to demonstrate steady progress and improvements in air quality in the HGB Area, the HGB Area remains subject to CAA nonattainment requirements.

The HGB Area is currently designated as a severe ozone nonattainment area under the 1997 Ozone Standards. While the EPA has revoked the 1997 Ozone Standards, the EPA historically has not formally redesignated nonattainment areas for a revoked standard. As a result, the HGB Area remained subject to continuing severe nonattainment area "anti-backsliding" requirements, despite the fact that HGB Area air quality has been attaining the 1997 Ozone Standards since 2014. In late 2015, the EPA approved the TCEQ's "redesignation substitute" for the HGB Area under the revoked 1997 Ozone Standards, leaving the HGB Area subject only to the nonattainment area requirements under the 2008 Ozone Standard (and later, the 2015 Ozone Standard).

In February 2018, the U.S. Court of Appeals for the District of Columbia Circuit issued an opinion in South Coast Air Quality Management District v. EPA, 882 F.3d 1138 (D.C. Cir. 2018) vacating the EPA redesignation substitute rule that provided the basis for the EPA's decision to eliminate the anti-backsliding requirements that had applied in the HGB Area under the 1997 Ozone Standard. The court has not responded to the EPA's April 2018 request for rehearing of the case. To address the uncertainty created by the South Coast court's ruling, the TCEQ has developed a formal request that the HGB Area be redesignated to attainment under the 1997 Ozone Standards. The TCEQ Commissioners approved publication of a proposed HGB Area redesignation request under the 1997 Ozone Standards on September 5, 2018.

The HGB Area is currently designated as a "moderate" nonattainment area under the 2008 Ozone Standard, with an attainment deadline of July 20, 2018. If the EPA ultimately determines that the HGB Area has failed to meet the attainment deadline based on the relevant data, the area is subject to reclassification to a nonattainment classification that provides for more stringent controls on emissions from the industrial sector. In addition, the EPA may impose a moratorium on the awarding of federal highway construction grants and other federal grants for certain public works construction projects if it finds that an area fails to demonstrate progress in reducing ozone levels.

The HGB Area is currently designated as a "marginal" nonattainment area under the 2015 Ozone Standard, with an attainment deadline of August 3, 2021. For purposes of the 2015 Ozone Standard, the HGB Area consists of only six counties: Brazoria, Chambers, Fort Bend, Galveston, Harris, and Montgomery Counties.

In order to demonstrate progress toward attainment of the EPA's ozone standards, the TCEQ has established a state implementation plan ("SIP") for the HGB Area setting emission control requirements, some of which regulate the inspection and use of automobiles. These types of measures could impact how people travel, what distances people are willing to travel, where people choose to live and work, and what jobs are available in the HGB Area. These SIP requirements can negatively impact business due to the additional permitting/regulatory constraints that accompany this designation and because of the community stigma associated with a nonattainment designation. It is possible that additional controls will be necessary to allow the HGB Area to reach attainment with the ozone standards by the EPA's attainment deadlines. These additional controls could have a negative impact on the HGB Area's economic growth and development.

Water Supply & Discharge Issues

Water supply and discharge regulations that municipal utility districts, including the District, may be required to comply with involve: (1) groundwater well permitting and surface water appropriation; (2) public water supply systems; (3) wastewater discharges from treatment facilities; (4) storm water discharges; and (5) wetlands dredge and fill activities. Each of these is addressed below:

Certain governmental entities regulate groundwater usage in the HGB Area. A municipal utility district or other type of special purpose district that (i) is located within the boundaries of such an entity that regulates groundwater usage, and (ii) relies on local groundwater as a source of water supply, may be subject to requirements and restrictions on the drilling of water wells and/or the production of groundwater that could affect both the engineering and economic feasibility of district water supply projects.

Pursuant to the federal Safe Drinking Water Act ("SDWA") and the EPA's National Primary Drinking Water Regulations ("NPDWRs"), which are implemented by the TCEQ's Water Supply Division, a municipal utility district's provision of water for human consumption is subject to extensive regulation as a public water system. Municipal utility districts must generally provide treated water that meets the primary and secondary drinking water quality standards adopted by the TCEQ, the applicable disinfectant residual and inactivation standards, and the other regulatory action levels established under the agency's rules. The EPA has established NPDWRs for more than ninety (90) contaminants and has identified and listed other contaminants which may require national drinking water regulation in the future.

Texas Pollutant Discharge Elimination System ("TPDES") permits set limits on the type and quantity of discharge, in accordance with state and federal laws and regulations. The TCEQ reissued the TPDES Construction General Permit (TXR150000), with an effective date of March 5, 2018, which is a general permit authorizing the discharge of stormwater runoff associated with small and large construction sites and certain nonstormwater discharges into surface water in the state. It has a 5-year permit term, and is then subject to renewal. Moreover, the Clean Water Act ("CWA") and Texas Water Code require municipal wastewater treatment plants to meet secondary treatment effluent limitations and more stringent water quality-based limitations and requirements to comply with the Texas water quality standards. Any water quality-based limitations and requirements with which a municipal utility district must comply may have an impact on the municipal utility district's ability to obtain and maintain compliance with TPDES permits.

The District is subject to the TCEQ's General Permit for Phase II (Small) Municipal Separate Storm Sewer Systems (the "MS4 Permit"), which was issued by the TCEQ on January 24, 2019. The MS4 Permit authorizes the discharge of stormwater to surface water in the state from small municipal separate storm sewer systems. In order to maintain MS4 Permit compliance, the District is partnering with the city of Pearland (the "City"), to participate in the City's program to develop, implement, and maintain the required plan (the "MS4 Permit Plan") as well as to install or implement best management practices to minimize or eliminate unauthorized pollutants that may otherwise be found in stormwater runoff. While the District does not have its own independent MS4 Permit Plan, the District has taken all necessary steps required by the City to be included in the City's MS4 Permit Plan in order to obtain MS4 Permit compliance with the TCEQ. If at any time in the future the District were required to maintain independent coverage under the MS4 Permit, it is anticipated that the District could incur substantial additional costs to develop and implement its own program necessary to comply with the MS4 Permit.

In 2015, the EPA and the United States Army Corps of Engineers ("USACE") promulgated a rule known as the Clean Water Rule ("CWR") aimed at redefining "waters of the United States" over which the EPA and USACE have jurisdiction under the CWA. The CWR significantly expands the scope of the federal government's CWA jurisdiction over intrastate water bodies and wetlands. The CWR could have an adverse impact on municipal utility districts, including the District, particularly with respect to jurisdictional wetland determinations, and could increase the size and scope of activities requiring USACE permits. The CWR has been challenged in various jurisdictions, including the Southern District of Texas, and the litigation challenging the CWR is still pending.

On February 28, 2017, the President signed an executive order ordering the EPA and USACE to modify or rescind the CWR. In response, the EPA and the USACE subsequently released a proposed rule rescinding the CWR, reinstating the regulatory text that existed prior to the adoption of the CWR and proposing the development of a revised definition of "waters of the United States." In June 2018, the EPA and USACE issued a supplemental notice of proposed rulemaking to the 2017 proposed action to repeal the 2015 definition of "waters of the United States" to clarify that the agencies are proposing to permanently repeal the CWR in its entirety and reinstate language in place before the adoption of the CWR while developing a revised definition of "waters of the United States." Meanwhile, in January 2018, the EPA and the USACE finalized a rule extending the effective date of the CWR until 2020 while the agencies finalize actions to repeal and replace the CWR. This rule delaying the effective date of the CWR was challenged in court and, on August 16, 2018, the U.S. District Court for the District of South Carolina issued a nationwide injunction rendering the rule extending the effective date of the CWR void, thereby reinstating the CWR in 26 states, including Texas. However, on September 12, 2018, the U.S. District Court for the Southern District of Texas temporarily enjoined the implementation of the CWR in Texas, Louisiana and Mississippi until the case filed by the States of Texas, Louisiana and Mississippi in 2015 is finally resolved. Subsequently, on May 28, 2019, the U.S. District Court for the Southern District of Texas found that the CWR violated the notice-and-comment requirements of the Administrative Procedures Act, remanded the CWR to the EPA and USACE, and ordered that the preliminary injunction issued September 12, 2018, remain in place pending the proceedings on remand.

On December 11, 2018, the EPA and USACE released the proposed replacement definition of "waters of the United States." The proposed definition outlines six categories of waters that would be considered "waters of the United States," including traditional navigable waters, tributaries to those waters, certain ditches, certain lakes and ponds, impoundments of jurisdictional waters, and wetlands adjacent to jurisdictional waters. The proposed rule also details what are not "waters of the United States," such as features that only contain water during or in response to rainfall (e.g., ephemeral features); groundwater; many ditches, including most roadside or farm ditches; prior converted cropland; stormwater control features; and waste treatment systems. The agencies took comment on the proposal for 60 days after publication in the Federal Register, which occurred on February 14, 2019. If finalized, the proposed rule would apply nationwide, replacing the patchwork framework for Clean Water Act jurisdiction that has resulted from litigation challenging the CWR.

Due to the pending rulemaking activity and rule challenge litigation, there is significant uncertainty regarding the ultimate scope of "waters of the United States" and the extent of EPA and USACE jurisdiction. Depending on the final outcome of such proceedings, operations of municipal utility districts, including the District, could potentially be subject to additional restrictions and requirements, including permitting requirements.

Changes in Tax Legislation

Certain tax legislation, whether currently proposed or proposed in the future, may directly or indirectly reduce or eliminate the benefit of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, may also affect the value and liquidity of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed, pending or future legislation.

Tropical Weather Events; Hurricane Harvey

The Houston area, including the District, is subject to occasional severe tropical weather events, including tropical storms and hurricanes. If the District were to sustain damage to its facilities requiring substantial repair or replacement or if substantial damage were to occur to taxable property within the District as a result of such a weather event, the investment security of the Bonds could be adversely affected.

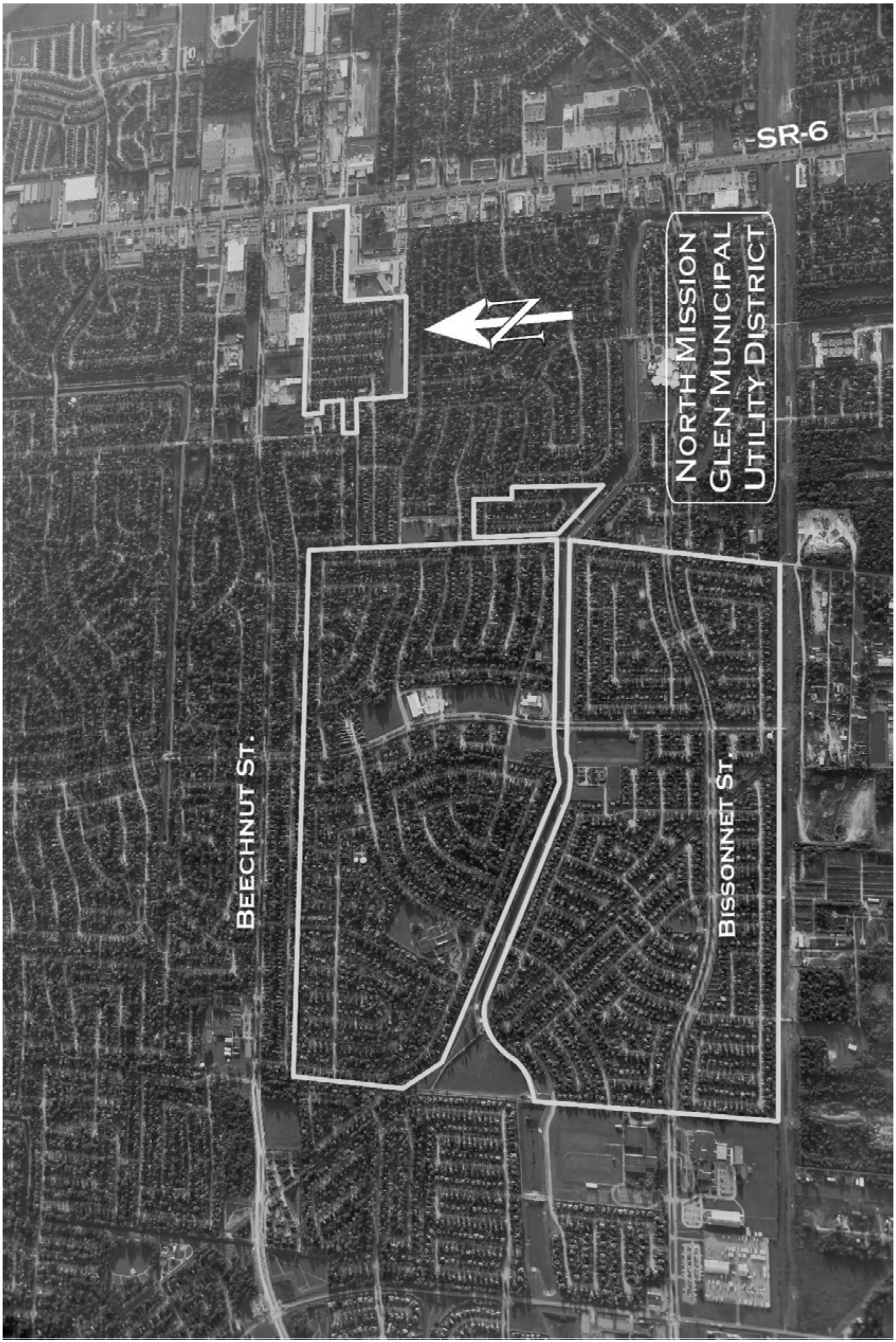
The greater Houston area has experienced three storms exceeding a 0.2% probability (i.e. "500 year flood" events) since 2015. The most recent event was Hurricane Harvey, which made landfall along the Texas Gulf Coast on August 26, 2017, and brought historic levels of rainfall during the successive four days. According to the District's Operator and Engineer, the District's System did not sustain any material damage from Hurricane Harvey and there was no interruption of water or sewer service. Neither the District’s Operator nor Engineer are aware of any homes or commercial buildings within the District that experienced structural flooding or other significant damage as a result of Hurricane Harvey. Hurricane Harvey could have a material impact on the Houston region's economy. The District cannot predict what impact, if any, Hurricane Harvey will have on the assessed value of homes within the District.

If a future weather event significantly damaged all or part of the improvements within the District, the assessed value of property within the District could be substantially reduced, which could result in a decrease in tax revenues and/or necessitate an increase the District's tax rate. Further, there can be no assurance that a casualty loss to taxable property within the District will be covered by insurance (or that property owners will even carry flood or other casualty insurance), that any insurance company will fulfill its obligation to provide insurance proceeds, or that insurance proceeds will be used to rebuild or repair any damaged improvements within the District. Even if insurance proceeds are available and improvements are rebuilt, there could be a lengthy period in which assessed values within the District could be adversely affected.

Specific Flood Type Risks

Ponding, or pluvial, flooding occurs when heavy rainfall creates a flood event independent of an overflowing water body, typically in relatively flat areas. Intense rainfall can exceed the drainage capacity of a drainage system, which may result in water within the drainage system becoming trapped and diverted onto streets and nearby property until it is able to reach a natural outlet. Ponding can also occur in a flood pool upstream or behind a dam, levee or reservoir.

AERIAL PHOTOGRAPH OF THE DISTRICT
(taken August 2019)



PHOTOGRAPHS TAKEN WITHIN THE DISTRICT
(taken August 2019)

PHOTOGRAPHS TAKEN WITHIN THE DISTRICT
(taken August 2019)

DISTRICT DEBT

General

2018 Assessed Valuation (As of January 1, 2018) See "TAXING PROCEDURES" and "TAX DATA."	$489,785,681(a)
2019 Assessed Valuation (As of January 1, 2019) See "TAXING PROCEDURES" and "TAX DATA."	$506,844,136(b)
Direct Debt: Remaining Outstanding Bonds	$ 12,305,000(c)
The Bonds	8,880,000(c)
Total	$ 21,185,000(c)
Estimated Overlapping Debt	$ 17,190,395(c)
Direct and Estimated Overlapping Debt	$ 38,375,395(c)
Direct Debt Ratios	
: as a percentage of 2018 Assessed Valuation	4.33%
: as a percentage of 2019 Assessed Valuation	4.18%
Direct and Estimated Overlapping Debt Ratios	
: as a percentage of 2018 Assessed Valuation	7.84%
: as a percentage of 2019 Assessed Valuation	7.57%
Debt Service Fund Balance Estimated as of Delivery of the Bonds	$ 1,931,786(d)
General Fund Balance as of August 13, 2019	$ 6,222,873
Average Percentage of Total Tax Collections 2008-2017 As of July 31, 2019.	99.90%
Percentage of Tax Collections 2018 Tax Levy As of July 31, 2019. In process of collection..	98.04%

2018 Tax Rate per $100 of Assessed Valuation		
The District		
Debt Service Tax	$0.40	
Maintenance Tax	0.12	
Total		$0.520(e)
West Keegans Bayou Improvement District		0.094(e)
Total		$0.614(e)
Anticipated 2019 Tax Rate per $100 of Assessed Valuation		
The District		
Debt Service Tax	$0.38	
Maintenance Tax	0.13	
Total		$0.510(e)
West Keegans Bayou Improvement District		0.094(e)
Total		$0.604(e)

(a) As of January 1, 2018. All property in the District is valued on the tax rolls by the Fort Bend Central Appraisal District and the Harris County Appraisal District (the "Appraisal Districts") at 100% of assessed valuation as of January 1 of each year. The District's tax roll is certified by the Fort Bend County Appraisal Review Board and the Harris County Appraisal Review Board (the "Appraisal Review Boards"). See "TAXING PROCEDURES."

(b) As of January 1, 2019. Such sum includes certain values which have not been certified by the Appraisal Review Board, including the value of certain properties which has been proposed by the Appraisal District but protested by the owners thereof to the Appraisal District. The Appraisal District has proposed the total of such protested values to be $1,090,541. Since the District is unable to predict the amount of the District's final 2019 Assessed Valuation, 95% of such total protest value of $1,090,541, or $1,036,014, is included in the 2019 Assessed Valuation of $506,844,136, enumerated in this Official Statement. Such final 2019 Assessed Valuation will not be determined until the valuation of all taxable property located within the District is certified by the Appraisal Review Board for 2019.

(c) Excludes the Refunded Bonds. See "THE BONDS - Issuance of Additional Debt" and "DISTRICT DEBT." In addition to the acquisition, construction, rehabilitation, and repair of the components of the System that the District has financed with portions of the proceeds of the sale of the Prior Bonds, the District expects to finance the acquisition, construction, rehabilitation or repair of additional components of the System with portions of the proceeds of the sale of bonds, if any, in the future. See "THE BONDS - Issuance of Additional Debt," "INVESTMENT CONSIDERATIONS - Future Debt," "DEVELOPMENT OF THE DISTRICT" and "THE SYSTEM."

(d) Neither Texas law nor the Bond Resolution requires that the District maintain any particular sum in the Debt Service Fund. Such sum gives effect to the contribution of $6,000 of District funds lawfully available for such purpose to the refunding of the Refunded Bonds. Such fund balance also gives effect to the timely payment by the District of the entirety of its debt service requirements that were due in 2019. The District's initial debt service payment on the Bonds is due on March 1, 2020, and consists of a five-month interest payment thereon.

(e) The District levied a debt service tax rate of $0.40 per $100 of Assessed Valuation and a maintenance tax of $0.12 per $100 of Assessed Valuation for 2018, and anticipates levying a debt service tax rate of $0.38 per $100 of Assessed Valuation and a maintenance tax of $0.13 per $100 of Assessed Valuation for 2019. The Drainage District levied a total tax of $0.094 per $100 of Assessed Valuation for 2018, all of which is a maintenance tax, and anticipates levying the same rate for 2019. The District's combined anticipated 2019 tax rate of $0.51 per $100 of Assessed Valuation plus the Drainage District's anticipated 2019 tax rate of $0.094 per $100 of Assessed Valuation is $0.604 per $100 of Assessed Valuation. Moreover, the aggregate of the 2018 tax levies of all units of government which levy taxes against property located within the District plus the District's and the Drainage District's anticipated 2019 tax rate is $2.467056 per $100 of Assessed Valuation. See "INVESTMENT CONSIDERATIONS - Maximum Impact on District Tax Rates" and - "District Tax Levy and Overlapping District Taxes and Functions" and "TAX DATA - Tax Rate Calculations" and - "Estimated Overlapping Taxes."

Estimated Direct and Overlapping Debt Statement

The following statement indicates the direct and estimated overlapping debt of the District. The table includes the estimated amount of indebtedness of governmental entities overlapping the District, defined as outstanding bonds payable from ad valorem taxes, and the estimated percentages and amounts of such indebtedness attributable to property located within the District. This information is based upon data secured from the individual jurisdictions and/or the Texas Municipal Reports published by the Municipal Advisory Council of Texas. The calculations by which the statement was derived were made in part by comparing the reported assessed valuation of the property in the overlapping taxing jurisdictions with the Assessed Valuation of property within the District. No effect has been given to the tax burden levied by any applicable taxing jurisdiction for maintenance and operational or other purposes.

Taxing Jurisdiction	Outstanding Debt As of July 15, 2019	Overlapping Percent	Overlapping Amount
Fort Bend County	$ 560,744,527	0.73221%	$ 4,105,823
Fort Bend Independent School District	1,065,083,767	1.22850	13,084,572
TOTAL ESTIMATED OVERLAPPING DEBT			$17,190,395
TOTAL DIRECT DEBT (a)			21,185,000
TOTAL DIRECT AND ESTIMATED OVERLAPPING DEBT(b)			$38,375,395

Ratio of Total Direct and Estimated Overlapping Debt to:

2018 Assessed Valuation ($489,785,681)	7.84%
2019 Assessed Valuation ($506,844,136)	7.57%

(a) See "General" above.
(b) Approximately 3.709 acres of the District are located within Harris County. Such acreage is considered to be *de minimis*. Therefore, Harris County debt is not included in this statement.

Under Texas law ad valorem taxes levied by each taxing authority other than the District create a lien which is on a parity with the lien in favor of the District on all taxable property within the District. In addition to the ad valorem taxes required to retire the foregoing direct and overlapping debt, the various taxing authorities mentioned above also are authorized by Texas law to assess, levy and collect ad valorem taxes for operation, maintenance, administration and/or general revenue purposes. Certain of the jurisdictions have in the past levied such taxes. The District has the power to assess, levy and collect ad valorem taxes for operation and maintenance purposes in an amount not to exceed $0.25 per $100 of Assessed Valuation, and such taxes have been authorized by the duly qualified voters of the District. The District has levied a maintenance tax of $0.12 per $100 of Assessed Valuation for 2018 and anticipates levying a maintenance tax of $0.13 per $100 of Assessed Valuation for 2019. See "TAX DATA - Maintenance Tax."

Debt Service Requirements

The following schedule sets forth the debt service requirements on the Outstanding Bonds, less the debt service requirements on the Refunded Bonds, plus the principal and interest requirements on the Bonds.

Year Ending December 31	Current Total Debt Service	Less: Debt Service on Refunded Bonds	Plus: -- The Bonds -- Principal	Interest	Total New Debt Service
2019	$ 1,957,513				$ 1,957,513
2020	1,943,013	$ 340,600	$ 70,000	$ 195,869	1,868,281
2021	1,955,213	595,600	310,000	211,575	1,881,188
2022	1,972,063	580,400	305,000	202,275	1,898,938
2023	1,962,475	580,400	315,000	193,125	1,890,200
2024	1,966,913	570,000	315,000	183,675	1,895,588
2025	1,973,113	569,600	325,000	174,225	1,902,738
2026	1,962,313	553,800	315,000	164,475	1,887,988
2027	2,020,113	1,313,200	1,080,000	158,175	1,945,088
2028	2,028,475	1,316,800	1,110,000	136,575	1,958,250
2029	2,034,038	1,323,600	1,135,000	114,375	1,959,813
2030	2,036,800	1,328,400	1,165,000	91,675	1,965,075
2031	2,041,200	1,336,200	1,200,000	62,550	1,967,550
2032	2,042,600	1,346,800	1,235,000	37,050	1,967,850
2033	666,000				666,000
2034	686,400				686,400
	$29,248,242	$11,755,400	$8,880,000	$1,925,619	$28,298,460

Average Annual Requirements - (2020-2032) $1,922,196
Maximum Annual Requirement - (2032) $1,967,850

See "INVESTMENT CONSIDERATIONS - Maximum Impact on District Tax Rates" and "TAX DATA - Tax Rate Calculations" for a discussion of the District's projected tax rates and the effect of the Bonds thereon.

TAXING PROCEDURES

Authority to Levy Taxes

The Board is authorized to levy an annual ad valorem tax, without legal limitation as to rate or amount, against all taxable property within the District in sufficient amount to pay the principal of and interest on the Bonds and the Remaining Outstanding Bonds and any additional bonds payable from taxes which the District may hereafter issue and to pay the expenses of assessing and collecting such taxes. The District agrees in the Bond Resolution to levy such a tax from year to year as described more fully above under the caption "THE BONDS - Source of Payment." The Board is also authorized to levy and collect annual ad valorem taxes for the administration and maintenance of the District and the System and for the payment of certain contractual obligations if such taxes are authorized by vote of the District's electors at an election. The District's electors have authorized the levy of such a maintenance tax in the maximum amount of $0.25 per $100 of assessed valuation. See "TAX DATA - Maintenance Tax."

Exempt Property

Except for certain exemptions provided by Texas law, all real property and tangible personal property and certain categories of intangible personal property with a tax situs in the District are subject to taxation by the District; however, no effort is expected to be made by the Fort Bend Central Appraisal District or the Harris County Appraisal District ("FBCAD" or "HCAD," respectively) described below to assess taxes against tangible or intangible personal property not devoted to commercial or industrial use. Principal categories of exempt real property include: property owned by the State of Texas or its political subdivisions, if the property is used for public purposes; property exempt from ad valorem taxation by federal law; nonprofit cemeteries; and certain property owned by qualified charitable, religious, veterans, fraternal, or educational organizations. Partially exempt to the maximum extent of between $5,000 and $12,000 of assessed value, depending upon the disability rating of the veteran, is property owned by a disabled veteran or by the spouse or certain children of a deceased disabled veteran or a veteran who died while on active duty. Totally exempt is property owned by a veteran who receives a disability rating of 100%. A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran's disability rating if (i) the residence homestead was donated by a charitable organization at no cost to the disabled veteran or, (ii) the residence was donated by a charitable organization at some cost to the disabled veteran if such cost is less than or equal to fifty percent (50%) of the total good faith estimate of the market value of the residence as of the date the donation is made. Also, the surviving spouse of (i) a member of the armed forces, (ii) a first responder as defined under Texas law, who was killed in action is, subject to certain conditions, entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse. Also partially exempt, if approved by the Board or at an election called by the Board upon petition of at least 20% of the number of the qualified voters who voted in the District's preceding election, are residence homesteads of certain persons who are disabled or at least 65 years old to the extent of $10,000 of appraised value or such higher amount as the Board or the District's voters may approve. The District's tax assessor is authorized by statute to disregard exemptions for the disabled and elderly if granting the exemption would impair the District's obligation to pay tax-supported debt incurred prior to adoption of the exemption by the District. The District's 2019 tax roll contains a total of $2,019,580 in disabled veterans' exemptions and a total of $4,391,221 in either over 65 or disabled persons' exemptions.

The Board may exempt up to 20% of the market value of residential homesteads from ad valorem taxation. Such exemption would be in addition to any other applicable exemptions provided by law. However, if ad valorem taxes have previously been pledged for the payment of debt and the cessation of the levy would impair the obligation of the contract by which the debt was created, then the Board may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged. To date the Board has not voted to exempt any percentage of the market value of residential homesteads from ad valorem taxation, but no representation may be made that the Board will not determine to grant such exemption in the future.

A “Freeport Exemption” applies to goods, wares, ores, and merchandise other than oil, gas, and petroleum products (defined as liquid and gaseous materials immediately derived from refining petroleum or natural gas), and to aircraft or repair parts used by a certified air carrier acquired in or imported into Texas which are destined to be forwarded outside of Texas and which are detained in Texas for assembling, storing, manufacturing, processing or fabricating for less than 175 days. Although certain taxing units may take official action to tax such property in transit and negate such exemption, the District does not have such an option. A “Goods-in-Transit” Exemption is applicable to the same categories of tangible personal property which are covered by the Freeport Exemption, if, for tax year 2011 and prior applicable years, such property is acquired in or imported into Texas for assembling, storing, manufacturing, processing, or fabricating purposes and is subsequently forwarded to another location inside or outside of Texas not later than 175 days after acquisition or importation, and the location where said property is detained during that period is not directly or indirectly owned or under the control of the property owner. For tax year 2012 and subsequent years, such Goods-in-Transit Exemption includes tangible personal property acquired in or imported into Texas for storage purposes only if such property is stored under a contract of bailment by a public warehouse operator at one or more public warehouse facilities in Texas that are not in any way owned or controlled by the owner of such property for the account of the person who acquired or imported such property. A property owner who receives the Goods-in-Transit Exemption is not eligible to receive the Freeport Exemption for the same property. Local taxing units such as the District may, by official action and after public hearing, tax goods-in-transit personal property. A taxing unit must exercise its option to tax goods-in-transit property before January 1 of the first tax year in which it proposes to tax the property at the time and in the manner prescribed by applicable law. The District has taken official action to allow taxation of all such goods-in-transit personal property but may choose to exempt same in the future by further official action.

Fort Bend County or Harris County may designate all or part of the area within the District as a reinvestment zone, and the District, Fort Bend County, or Harris County may thereafter enter into tax abatement agreements with owners of real property within the zone. The tax abatement agreements may exempt from ad valorem taxation by the applicable taxing jurisdiction, and by the District, for a period of up to 15 years, all or any part of any increase in the assessed valuation of property covered by the agreement over its assessed valuation in the year in which the agreement is executed, on the condition that the property owner make specified improvements or repairs to the property in conformity with a comprehensive plan. None of the area within the District has been designated as a reinvestment zone to date. Each taxing jurisdiction has discretion to determine terms for its tax abatement agreements without regard to the terms approved by other taxing jurisdictions.

County-Wide Appraisal District

The Texas Tax Code (the “Tax Code”) establishes an appraisal district and an appraisal review board in each county of the State of Texas. The appraisal district is governed by a board of directors elected by the governing bodies of cities, towns, school districts and, if entitled to vote, the conservation and reclamation districts that participate in the appraisal district and of the county. The District is entitled to vote upon and participate in the selection of members of the board of directors of the FBCAD and HCAD. The board of directors selects a chief appraiser to manage the appraisal office of the appraisal district. All taxing units within Fort Bend County, including a portion of the District, are included in the FBCAD. All taxing units within Harris County, including a portion of the District, are included in the HCAD. FBCAD is responsible for appraising property within a portion of the District, subject to review by the Fort Bend County Appraisal Review Board and HCAD is responsible for appraising property within a portion of the District subject to review by the Harris County Appraisal Review Board (together, the “Appraisal Review Boards”). The appraisal rolls as approved by the Appraisal Review Boards must be used by the District in establishing its tax rolls and tax rate. The valuation and assessment of taxable property within the District is governed by the Tax Code.

Under current Texas law, the District is responsible for the levy and collection of its taxes and will continue to be so responsible unless the Board of Directors of the District, or the qualified voters of the District or of Fort Bend County, at an election held for such purpose, determines to transfer such functions to the FBCAD, HCAD or another taxing unit.

Assessment and Levy

Generally, all taxable property in the District (other than any qualifying agricultural and timberland) must be appraised at 100% of market value as of January 1 of each tax year, subject to review and approval by the Appraisal Review Board. However, houses held for sale by a developer or builder which remain unoccupied, are not leased or rented and produce no income, are required to be assessed at the price for which they would sell as a unit to a purchaser who would continue the owner's business. See “TAX DATA - Principal 2018 Taxpayers.” The Tax Code requires each appraisal district to implement a plan providing for reappraisal of all real property in the appraisal district at least once every three years. It is not known what frequency of reappraisal will be utilized by the FBCAD and HCAD or whether reappraisals will be conducted on a zone or county-wide basis.

The Tax Code permits land designated for agricultural use or timberland to be appraised at its value based on the land's capacity to produce agricultural or timber products rather than at its fair market value. Provisions of the Tax Code are complex and are not fully summarized here. Landowners wishing to avail themselves of the agricultural use designation must apply for the designation, and the appraiser is required by the Tax Code to act on each claimant's right to the designation individually. If a claimant receives the designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use, including for three years for agricultural use and for five years for open space and timberland, prior to the loss of the designation.

The chief appraiser must give written notice on May 15, or as soon thereafter as practicable, to each owner if the appraised value of his property is greater than it was in the preceding year, if the appraised value of the property is greater than the value rendered by the property owner, or if the property was not on the appraisal roll in the preceding year. In addition, the chief appraiser must give written notice to each property owner whose property was reappraised in the current year or if ownership of the property changed during the preceding year. The Appraisal Review Boards have the ultimate responsibility for determining the value of all taxable property within the District; however, any owner who has timely filed notice with one of the Appraisal Review Boards may appeal the final determination by the Appraisal Review Boards by filing suit in Texas district court. Prior to such appeal and prior to the delinquency date, however, the owner must pay the tax due on the amount of value of the property involved that is not in dispute or the amount of tax paid in the prior year, whichever is greater, or the amount of tax due under the order from which the appeal is taken. In the event of such suit, the value of the property is determined by the court, or a jury if requested by any party. Additionally, the District is entitled to challenge certain matters before the Appraisal Review Boards, including the level of appraisals of a certain category of property, the exclusion of property from the appraisal records, or the grant in whole or in part of a partial exemption. The District may not, however, protest a valuation of individual property.

After the District receives the certified appraisal roll, the rate of taxation is set by the Board based upon the assessed valuation of property within the District as of the preceding January 1 and the amount required to be raised for debt service, maintenance purposes and authorized contractual obligations.

District and Taxpayer Remedies

Under certain circumstances, taxpayers and taxing units, including the District, may appeal orders of the Appraisal Review Boards by filing a petition for review in Texas state district court within forty-five (45) days after notice is received that a final order has been entered. In such event, the property value in question may be determined by the court, or by a jury, if requested by any party. Additionally, taxing units may bring suit against either the FBCAD or the HCAD to compel compliance with the Tax Code.

The Tax Code establishes a procedure for notice to property owners of reappraisals reflecting increased property values, appraisals that are higher than renditions and appraisals of property not previously on an appraisal roll.

Rollback of Operation and Maintenance Tax Rate

Under current law, the qualified voters of the District have the right to petition for a rollback of the District's operation and maintenance tax rate only if the total tax bill on the average residence homestead increases by more than eight percent. If a rollback election is called and passes, the rollback tax rate is the current year's debt service and contract tax rates plus 1.08 times the previous year's operation and maintenance tax rate. Thus, debt service and contract tax rates cannot be changed by a rollback election.

During the 86th Regular Legislative Session, Senate Bill 2 ("SB 2") was passed and signed by the Governor, with an effective date of January 1, 2020, and the provisions described herein are effective beginning with the 2020 tax year. See "SELECTED FINANCIAL INFORMATION" for a description of the District's current total tax rate. Debt service and contract tax rates cannot be reduced by a rollback election held within any of the districts described below.

SB 2 classifies districts differently based on the current operation and maintenance tax rate or on the percentage of build-out that the district has completed. Districts that have adopted an operation and maintenance tax rate for the current year that is 2.5 cents or less per $100 of taxable value are classified as "Special Taxing Units." Districts that have financed, completed, and issued bonds to pay for all improvements and facilities necessary to serve at least 95% of the projected build-out of the district are classified as "Developed Districts." Districts that do not meet either of the classifications previously discussed can be classified herein as "Developing Districts." The impact each classification has on the ability of a district to increase its maintenance and operations tax rate pursuant to SB 2 is described for each classification below.

Special Taxing Units

Special Taxing Units that adopt a total tax rate that would impose more than 1.08 times the amount of the total tax imposed by such district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead, subject to certain homestead exemptions, are required to hold an election within the district to determine whether to approve the adopted total tax rate. If the adopted total tax rate is not approved at the election, the total tax rate for a Special Taxing Unit is the current year's debt service and contract tax rate plus 1.08 times the previous year's operation and maintenance tax rate.

Developed Districts

Developed Districts that adopt a total tax rate that would impose more than 1.035 times the amount of the total tax imposed by the district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead, subject to certain homestead exemptions for the preceding tax year, plus any unused increment rates, as calculated and described in Section 26.013 of the Tax Code, are required to hold an election within the district to determine whether to approve the adopted total tax rate. If the adopted total tax rate is not approved at the election, the total tax rate for a Developed District is the current year's debt service and contract tax rate plus 1.035 times the previous year's operation and maintenance tax rate plus any unused increment rates. In addition, if any part of a Developed District lies within an area declared for disaster by the Governor of Texas or President of the United States, alternative procedures and rate limitations may apply for a temporary period. If a district qualifies as both a Special Taxing Unit and a Developed District, the district will be subject to the operation and maintenance tax threshold applicable to Special Taxing Units.

Developing Districts

Districts that do not meet the classification of a Special Taxing Unit or a Developed District can be classified as Developing Districts. The qualified voters of these districts, upon the Developing District's adoption of a total tax rate that would impose more than 1.08 times the amount of the total tax rate imposed by such district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead, subject to certain homestead exemptions, are authorized to petition for an election to reduce the operation and maintenance tax rate. If an election is called and passes, the total tax rate for Developing Districts is the current year's debt service and contract tax rate plus 1.08 times the previous year's operation and maintenance tax rate.

The District

A determination as to a district's status as a Special Taxing Unit, Developed District or Developing District will be made by the Board of Directors on an annual basis, beginning with the 2020 tax rate. The District cannot give any assurances as to what its classification will be at any point in time or whether the District's future tax rates will result in a total tax rate that will reclassify the District into a new classification and new election calculation.

Collection

The District is responsible for the collection of its taxes, unless it elects to transfer such functions to another governmental entity. Taxes are due on receipt of the tax bill and become delinquent after January 31 of the following year. However, a person who is (i) 65 years of age or older; (ii) disabled or (iii) qualifies as a disabled veteran under Texas law is entitled by law to pay current taxes on his residential homestead in installments or to receive a deferral or abatement of delinquent taxes without penalty during the time he owns or occupies his property as his residential homestead. The date of the delinquency may be postponed if the tax bills are mailed after September 30 (if the Board has authorized discounts for early payment) or otherwise after January 10. So long as the Board has not transferred responsibility for collection of the taxes to another taxing unit or the Appraisal District, the Board may permit payment without penalty or interest of the final tax installment by July 1, if one-half of taxes assessed for the current year are paid prior to December 1. The Board may approve a 3% discount for taxes paid in October, 2% for November and 1% for December. Delinquent taxes are subject to a 6% penalty for the first month of delinquency, 1% for each month thereafter to July 1 and 12% total if any taxes are unpaid on July 1. Delinquent taxes also accrue interest at the rate of 1% per month during the period they remain outstanding. In addition, the Board may impose a further penalty on all taxes, penalties, and interest unpaid on July 1 which is used to defray the cost of engaging an attorney for collection of delinquent taxes.

District's Rights in the Event of Tax Delinquencies

Taxes levied by the District are a personal obligation of the person who owns or acquires the property on January 1 of the year for which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed for the year upon the property. The District's tax lien is on a parity with the tax liens of the other jurisdictions levying taxes on property within the District. Whether a lien of the United States is on a parity with or takes priority over a tax lien of the District is determined by applicable federal law. In the absence of such federal law, the District's tax lien takes priority over a lien of the United States. In the event a taxpayer fails to make timely payment of taxes due the District, the District may file suit at any time after taxes become delinquent to foreclose its lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the District must join other taxing units that have claims for delinquent taxes against all or part of the same property. Collection of delinquent taxes may also be adversely affected by the amount of taxes owed to other federal, state and local taxing jurisdictions, by the effects of market conditions on the foreclosure sales price, by the taxpayer's redemption rights (a taxpayer may redeem property within two (2) years for residence homesteads or land designated for agricultural use and within six (6) months for all other types of real property after the purchaser's deed issued at the foreclosure sale is filed in the county records), or by bankruptcy proceedings which restrain or stay the collection of a taxpayer's debts. Federal bankruptcy law provides that an automatic stay of actions by creditors and other entities, including governmental units, goes into effect with the filing of any petition in bankruptcy. The automatic stay prevents governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In many cases post-petition taxes are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court. See “TAX DATA - Principal 2018 Taxpayers.”

TAX DATA

Debt Service Tax

All taxable property within the District is subject to the assessment, levy and collection by the District of an annual ad valorem tax, without legal limitation as to rate or amount, sufficient to pay principal of and interest on the Remaining Outstanding Bonds, the Bonds and any future tax-supported bonds which may be issued from time to time as authorized. The Board of Directors of the District has in its Bond Resolution covenanted to assess and levy for each year that all or any part of the Bonds remain outstanding and unpaid a tax ample and sufficient to produce funds to pay the principal of and interest on the Bonds when due (see “THE BONDS” and “INVESTMENT CONSIDERATIONS.”) The actual rate of such tax will be determined from year to year as a function of the District's tax base, its debt service requirements and available funds. The District levied a debt service tax of $0.40 per $100 Assessed Valuation for 2018, and anticipates levying a debt service tax of $0.38 per $100 Assessed Valuation for 2019.

Maintenance Tax

The Board of Directors of the District has the statutory authority to levy and collect an annual ad valorem tax for maintenance of the District's improvements if such maintenance tax is authorized by vote of the District's electors. On April 4, 1981, the Board was authorized by a vote of the District's electors to levy such maintenance tax in an amount not to exceed $0.25 per $100 of assessed valuation. Such tax, when levied, is in addition to taxes which the District is authorized to levy for paying principal of and interest on the Remaining Outstanding Bonds and the Bonds and any parity bonds which may be issued in the future. The District levied a maintenance tax of $0.12 per $100 of Assessed Valuation for 2018 and anticipates levying a maintenance tax of $0.13 per $100 Assessed Valuation for 2019.

Tax Rate Limitation

Debt Service:	Unlimited (no legal limit as to rate or amount).
Maintenance:	$0.25 per $100 Assessed Valuation.

Historical Values and Tax Collection History

The following statement of tax collections sets forth, in condensed form, the historical Assessed Valuation and tax collections of the District. Such summary has been prepared for inclusion herein based upon information obtained from District records. Reference is made to such records, including the District's annual audited financial statements, for more complete information.

				% Collections	
Tax Year	Assessed Valuation	Tax Rate(a)	Adjusted Levy	Current & Prior Years(b)	Year Ending 9/30
2008	$390,940,708	$0.5200	$2,032,892	99.99%	2009
2009	374,538,162	0.5440	2,037,488	99.99	2010
2010	357,138,132	0.5711	2,039,616	99.99	2011
2011	337,694,370	0.6411	2,164,959	99.99	2012
2012	325,999,345	0.6511	2,122,582	99.95	2013
2013	337,015,402	0.6200	2,089,495	99.95	2014
2014	354,977,564	0.6000	2,129,865	99.95	2015
2015	394,627,280	0.5500	2,170,450	99.82	2016
2016	434,272,729	0.5200	2,258,218	99.80	2017
2017	459,264,353	0.5200	2,388,175	99.58	2018
2018	489,785,681	0.5200	2,546,886	98.04(c)	2019
2019	506,844,136(d)	0.5100(e)	2,584,905(e)	(e)	2020

(a) Per $100 of Assessed Valuation.
(b) Such percentages reflect cumulative total collections for each year from the time each respective annual tax was levied through July 31, 2019.
(c) As of July 31, 2019. In process of collection.
(d) Such sum includes certain values which have not been certified by the Appraisal Review Board, including the value of certain properties which has been proposed by the Appraisal District but protested by the owners thereof to the Appraisal District. The Appraisal District has proposed the total of such protested values to be $1,090,541. Since the District is unable to predict the amount of the District's final 2019 Assessed Valuation, 95% of such total protest value of $1,090,541, or $1,036,014, is included in the 2019 Assessed Valuation of $506,844,136, enumerated in this Official Statement. Such final 2019 Assessed Valuation will not be determined until the valuation of all taxable property located within the District is certified by the Appraisal Review Board for 2019.
(e) The District anticipates levying a debt service tax rate of $0.38 per $100 of Assessed Valuation and a maintenance tax of $0.13 per $100 of Assessed Valuation for 2019.

Tax Rate Distribution

	2019	2018	2017	2016	2015
Debt Service	$0.38	$0.40	$0.43	$0.46	$0.49
Maintenance	0.13	0.12	0.09	0.06	0.06
Total	$0.51*	$0.52	$0.52	$0.52	$0.55

* Anticipated rate.

Tax Rate Calculations

The tax rate calculations set forth below are presented to indicate the tax rates per $100 of Assessed Valuation which would be required to meet certain debt service requirements if no growth in the District occurs beyond the 2018 Assessed Valuation or the 2019 Assessed Valuation. The calculations also assume collection of 95% of taxes levied, no use of other legally available District funds on hand, and the sale of no additional bonds by the District. As outlined above under the caption "Historical Values and Tax Collection History," the District has collected an average annual percentage of its property taxes in excess of 99.90% for the period 2008 through 2017, and its 2018 levy was 98.04% collected as of such date.

Average Annual Debt Service Requirements (2020-2032)	$1,922,196
Tax Rate of $0.42 on the 2018 Assessed Valuation ($489,785,681) produces	$1,954,245
Tax Rate of $0.40 on the 2019 Assessed Valuation ($506,844,136) produces	$1,926,008
Maximum Annual Debt Service Requirement (2032)	$1,967,850
Tax Rate of $0.43 on the 2018 Assessed Valuation ($489,785,681) produces	$2,000,775
Tax Rate of $0.41 on the 2019 Assessed Valuation ($506,844,136) produces	$1,974,158

The District levied a debt service tax rate of $0.40 per $100 of Assessed Valuation and a maintenance tax of $0.12 per $100 of Assessed Valuation for 2018, and anticipates levying a debt service tax rate of $0.38 per $100 of Assessed Valuation and a maintenance tax of $0.13 per $100 of Assessed Valuation for 2019. As the foregoing calculations indicate, the anticipated 2019 debt service tax rate will not be sufficient to pay the debt service requirements on the Bonds and the Remaining Outstanding Bonds assuming no increase to the 2018 Assessed Valuation or the 2019 Assessed Valuation, a tax collection rate of 95%, no use of District funds on hand and the sale of no additional bonds by the District. However, as is illustrated above under the caption "TAX DATA - Historical Values and Tax Collection History," the District has collected an average of 99.90% of its 2008 through 2017 tax levies as of July 31, 2019, and its 2018 tax rate was 98.04% collected as of such date. Moreover, the District's Debt Service Fund balance is estimated to be $1,931,786 as of the date of delivery of the Bonds. Although neither Texas law nor the Bond Resolution requires that any specific amount be retained in the Debt Service Fund at any time, the District expects to apply earnings from the investment of monies held in the Debt Service Fund to meet the debt service requirements of the Bonds and the Remaining Outstanding Bonds. The District has in the past applied earnings from the investment of monies held in the Debt Service Fund to meet the debt service requirements of the Prior Bonds as is delineated in "APPENDIX B - ANNUAL FINANCIAL REPORT" that is appended to this Official Statement. Therefore, the District anticipates that it will be able to meet debt service requirements on the Bonds and the Remaining Outstanding Bonds without increasing the tax rate for debt service above the debt service rate which the District anticipates levying for 2019 - $0.38 per $100 of Assessed Valuation. However, the District can make no representation that the taxable property values in the District will maintain a value sufficient to support the aforementioned tax rate or to justify continued payment of taxes by property owners. See "INVESTMENT CONSIDERATIONS - Economic Factors Affecting Taxable Values and Tax Payments" and "- Maximum Impact on District Tax Rates." In addition to the acquisition, construction, rehabilitation, and repair of the components of the System that the District has financed with portions of the proceeds of the sale of the Prior Bonds, the District expects to finance the acquisition, construction, rehabilitation or repair of additional components of the System with portions of the proceeds of the sale of bonds, if any, in the future. See "THE BONDS - Issuance of Additional Debt," "INVESTMENT CONSIDERATIONS - Future Debt," "DEVELOPMENT OF THE DISTRICT" and "THE SYSTEM."

Analysis of Tax Base

The following table illustrates the composition of property located within the District during the past five years.

	Assessed Valuation					
Property Valuation	2019	%	2018	%	2017	%
Land	$ 82,413,563	16.26%	$ 77,883,221	15.90%	$ 77,883,221	16.96%
Improvements	434,231,104	85.67	425,672,045	86.91	396,069,149	86.24
Personal Property	2,914,870	0.58	3,277,509	0.67	1,351,477	0.29
Uncertified	1,036,014	0.20	0	0.00	0	0.00
Exemptions	(13,751,415)	(2.71)	(17,047,094)	(3.48)	(16,039,494)	(3.49)
Total	$506,844,136*	100.00%	$489,785,681	100.00%	$459,264,353	100.00%

	Assessed Valuation			
Property Valuation	2016	%	2015	%
Land	$ 77,944,712	17.95%	$ 77,747,434	19.70%
Improvements	380,399,649	87.59	341,146,004	86.45
Personal Property	3,048,726	0.70	2,898,670	0.73
Exemptions	(27,120,358)	(6.25)	(27,164,828)	(6.88)
Total	$434,272,729	100.00%	$394,627,280	100.00%

* Such sum includes certain values which have not been certified by the Appraisal Review Board, including the value of certain properties which has been proposed by the Appraisal District but protested by the owners thereof to the Appraisal District. The Appraisal District has proposed the total of such protested values to be $1,090,541. Since the District is unable to predict the amount of the District's final 2019 Assessed Valuation, 95% of such total protest value of $1,090,541, or $1,036,014, is included in the 2019 Assessed Valuation of $506,844,136, enumerated in this Official Statement. Such final 2019 Assessed Valuation will not be determined until the valuation of all taxable property located within the District is certified by the Appraisal Review Board for 2019.

Principal 2018 Taxpayers

Based upon information supplied by the District's Tax Assessor/Collector, the following table lists principal District taxpayers, type of property owned by such taxpayers, and the Assessed Valuation of such property as of January 1, 2018. The information reflects the composition of the Appraisal District's record of property ownership as of January 1, 2018.

Taxpayer	Type of Property	Assessed Valuation 2018 Tax Roll	% of 2018 Tax Roll
Centerpoint Energy	Personal Property	$2,046,000	0.42%
Santikos Properties, LLC	Land	768,419	0.16
NI-TEX Holdings	Lots and Homes	559,470	0.11
Home SFR Borrower LLC	Lots and Homes	558,920	0.11
AMH 2014-1 Borrower LLC	Lots and Homes	547,890	0.11
Anh Quan Nguyen	Lots and Homes	534,240	0.11
Cerberus SFR Holdings L.P.	Lots and Homes	523,420	0.11
American Homes 4 Rent Properties	Lots and Homes	512,240	0.10
Mohamad A. Kalawi	Lots and Homes	511,490	0.10
Opendoor Property C LLC	Lots and Homes	492,380	0.10
		$7,054,469	1.43%

Exemptions

The District has adopted a residential homestead exemption for persons 65 years or older or disabled persons in an amount of $10,000 of Assessed Valuation for 2019, but has not adopted a general residential homestead exemption. See “TAXING PROCEDURES.”

Estimated Overlapping Taxes

Property within the District is subject to taxation by several taxing authorities in addition to the District. Under Texas law, if ad valorem taxes levied by a taxing authority become delinquent, a lien is created upon the property which has been taxed. A tax lien on property in favor of the District is on a parity with tax liens of other taxing jurisdictions. In addition to ad valorem taxes required to make debt service payments on bonded debt of the District and of such other jurisdictions (see “DISTRICT DEBT - Estimated Direct and Overlapping Debt Statement”), certain taxing jurisdictions are authorized by Texas law to assess, levy and collect ad valorem taxes for operation, maintenance, administrative and/or general revenue purposes.

Set forth below is an estimation of all taxes per $100 of assessed valuation levied by such jurisdictions for 2018 plus the District’s and Drainage District’s anticipated 2019 tax rate. No recognition is given to local assessments for civic association dues, emergency medical service contributions, fire department contributions or any other charges made by entities other than political subdivisions.

Taxing Jurisdictions	2018 Tax Rate Per $100 of Assessed Valuation
The District (a)	$0.510000(a)
Fort Bend County (b)	0.464000
Fort Bend Independent School District	1.320000
West Keegans Bayou Improvement District	0.094000(c)
Fort Bend County Emergency Service District	0.079056
Total Tax Rate	$2.467056

No prediction can be made of the tax rates that will be levied in future years by the respective taxing jurisdictions.

(a) Anticipated 2019 tax rate, consisting of debt service and maintenance tax components of $0.38 and $0.13 per $100 of Assessed Valuation, respectively.
(b) Approximately 3.709 acres of the District are located within Harris County. Such acreage is considered to be *de minimis*. Therefore, Harris County tax rates are not included in this statement.
(c) Anticipated 2019 tax rate.

THE DISTRICT

Authority

The District is a municipal utility district created pursuant to an order of the Texas Water Commission, predecessor to the Texas Commission on Environmental Quality (the "TCEQ"), dated December 10, 1980. The District was created pursuant to the authority of Chapter 54, Texas Water Code, and Article XVI, Section 59 of the Texas Constitution. The rights, powers, privileges, authority, and functions of the District are established by the general laws of the State of Texas pertaining to municipal utility districts, particularly Chapters 49 and 54, Texas Water Code, as amended. The principal functions of the District are to finance, construct, own, and operate waterworks, wastewater, and drainage facilities and to provide such facilities and services to the customers of the District. The District, if approved by the voters within the District, the TCEQ, and other governmental entities having jurisdiction, may establish, operate, and maintain a fire department, independently or with one or more other conservation and reclamation districts, and provide such facilities and services to the customers of the District. Under certain limited circumstances the District also is authorized to construct, develop and maintain park and recreational facilities and to construct roads. The District is subject to the continuing supervision of the TCEQ in certain matters.

Description

The District contains approximately 669.47 acres of land. The District is located entirely within the extraterritorial jurisdiction of the City of Houston, Texas, approximately 18 miles west of the central business district of Houston, Texas, substantially in the northeastern portion of Fort Bend County, Texas (approximately 3.709 acres in the District lie within Harris County). See "AERIAL PHOTOGRAPH OF THE DISTRICT" and "APPENDIX A - LOCATION MAP." The District is bounded on the north by Mission Bend Municipal Utility District No. 1 and on the east by Richmond-Gaines Road. Kingsbridge Municipal Utility District lies to the east of the District. Access to the District is provided through Mission Bend Municipal Utility District No. 1 by way of Addicks-Clodine Road and along the west boundary of Kingsbridge Municipal Utility District by way of Richmond-Gaines Road. The entirety of the District is located within the boundaries of the West Keegans Bayou Improvement District (the "Drainage District"), which provides major outfall drainage and flood protection for approximately 2,352 acres of land, and thus all of the land located within the District is subject to taxation by the Drainage District. The Drainage District has issued bonds to finance certain drainage improvements to Keegans Bayou which benefit the District and is expected to issue additional bonds in the future. See "INVESTMENT CONSIDERATIONS - Economic Factors Affecting Taxable Values and Tax Payments and - "District Tax Levy and Overlapping District Taxes and Functions."

Management of the District

The District is governed by the Board of Directors, consisting of five directors. The Board of Directors has control over and management supervision of all affairs of the District. Directors serve four-year staggered terms, and elections are held within the District in May in even numbered years. The current members and officers of the Board, along with their respective terms of office, are listed below. Directors Cook and Roberts currently reside within the District. The remaining Directors own land subject to separate non-recourse notes and deeds of trust.

Name	Title	Term Expires in May
J. Keith Parker	President	2020
Ronald Anderson	Vice President	2022
Charles A. Cook	Assistant Vice President/ Assistant Secretary	2020
Breah Campbell	Secretary/Treasurer	2022
Yolanda Davis Roberts	Assistant Secretary	2022

Although the District does not have a general manager or any other full-time employees, it has contracted for utility system operating, bookkeeping, tax assessing and collecting, auditing, engineering, financial advisory, and legal services as follows:

Tax Assessor/Collector

The District has engaged Assessments of the Southwest, Inc., Friendswood, Texas, as the District's Tax Assessor/Collector. According to Assessments of the Southwest, Inc., it presently serves approximately 200 taxing units as tax assessor/collector. The Tax Assessor/Collector applies the District's tax levy to tax rolls prepared by the Fort Bend Central Appraisal District and the Harris County Appraisal District and bills and collects such levy.

Bookkeeper

The District's bookkeeper is VLB Bookkeeping Services, who acts as bookkeeper for approximately 6 utility districts.

Operator

Si Environmental, Inc. is the general operator of the System. According to Si Environmental, Inc., it is currently engaged as utility system operator for approximately 100 utility districts.

Auditor

The District has engaged McCall Gibson Swedlund Barfoot PLLC, Certified Public Accountants, to audit its financial statements for the year ending August 31, 2018. A copy of the District's audit for the fiscal year ended August 31, 2016, is included as “APPENDIX B” to this Official Statement.

Engineer

The consulting engineer for the District in connection with the design and construction of District facilities is Pape-Dawson Engineers, Inc. (the “Engineer”).

Attorney

The District has engaged Coats Rose, P.C., Houston, Texas, as general counsel to the District and as bond counsel ("Bond Counsel") in connection with the issuance of the Bonds. The fees to be paid to Bond Counsel in connection with the issuance of the Bonds are based on a percentage of the Bonds actually issued and sold. Therefore, the payment of such fees is contingent upon the sale and delivery of the Bonds. See "LEGAL MATTERS."

Special Tax Counsel

McCall, Parkhurst & Horton, L.L.P., Dallas, Texas, has been engaged as Special Tax Counsel in connection with the issuance of the Bonds. The fees payable to Special Tax Counsel are contingent upon the Bonds being issued, sold, and delivered.

Financial Advisor

The District has engaged Rathmann & Associates, L.P., as financial advisor (the "Financial Advisor") to the District to provide certain services, including assisting in the compilation of data and other information for use in and to the arrange for the publication and distribution of this Official Statement. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information in this Official Statement. The fees paid to the Financial Advisor for services rendered in connection with the issuance of the Bonds are based on a percentage of the Bonds actually issued and sold. Therefore, the payment of such fees is contingent upon the sale and delivery of the Bonds. Rathmann & Associates, L.P. is an independent municipal advisor registered with the United States Securities and Exchange Commission (the "SEC") and the Municipal Securities Rulemaking Board (the "MSRB"). Rathmann & Associates, L.P.'s SEC registration number is 867-00217 and its MSRB registration number is K0161. Rathmann & Associates, L.P.'s SEC registration Forms MA and MA-1's, which constitute Rathmann & Associates, L.P.'s registration filings, may be accessed through http://www.sec.gov/edgar/searchedgar/companysearch.html.

DEVELOPMENT OF THE DISTRICT

As of August 1, 2019, the District contained 2,894 homes. The District contains approximately 669.47 acres of land. The development of the entirety of the developable land located within the District (approximately 643.58 acres), except for 12 acres of currently undeveloped land, is complete as is described below. Such approximately 643.58 acres have been subdivided into (i) 2,894 single-family residential lots (approximately 632.36 acres) on all of which lots single-family residences have been constructed and all of such 2,894 single-family residences have been sold to home purchasers, (ii) approximately 12 acres of currently undeveloped land expected to be developed for commercial usage; (iii) approximately 10.38 acres which have been developed for commercial usage, and (iv) a recreational reserve containing approximately 0.84 acres. The balance of the land located within the District is contained within road rights-of-way, easements, or District plant sites; is devoted to park, recreational or open space usage; or is otherwise not available for development, including certain acres contained within the platted areas of subdivisions that have been developed in the District.

The District financed its cost of construction, acquisition, rehabilitation, and repair of water supply and distribution, wastewater collection and treatment, and storm drainage facilities (the "System") to serve all of the lots located within the subdivisions and other development which are described above and in this Official Statement, and other facilities, with proceeds of the sale of the Prior Bonds. In addition to the acquisition, construction, rehabilitation, and repair of the components of the System that the District has financed with portions of the proceeds of the sale of the Prior Bonds, the District expects to finance the acquisition, construction, rehabilitation or repair of additional components of the System with portions of the proceeds of the sale of bonds, if any, in the future. See "THE BONDS - Issuance of Additional Debt," "INVESTMENT CONSIDERATIONS - Future Debt," "DEVELOPMENT OF THE DISTRICT" and "THE SYSTEM."

THE SYSTEM

Regulation

According to the District's Engineer, the District's water supply and distribution, wastewater collection and treatment, and storm drainage facilities (collectively, the "System") have been designed in accordance with accepted engineering practices and the requirements of various agencies having regulatory or supervisory jurisdiction over the construction and operation of such facilities. The construction and operation of the System must be accomplished in accordance with the standards and specifications of such entities and are subject to inspection by each such entity. The TCEQ exercises continuing supervisory authority over the District. Discharge of treated sewage is subject to the regulatory authority of the TCEQ and the U.S. Environmental Protection Agency. Construction of drainage facilities is subject to the regulatory authority of the Fort Bend County Drainage District, Fort Bend County, and, in some instances, West Keegans Bayou Improvement District, the TCEQ, and the U.S. Army Corps of Engineers. Fort Bend County and the City of Houston also exercise regulatory jurisdiction over the District's System. In many cases, regulations promulgated by these agencies have become effective only recently and are subject to further development and revision. According to the District's Engineer, the total number of equivalent single-family connections projected for the District at the full development of its approximate 669.47 acres is 3,130 with a total estimated population of 10,538. A description of portions of the System follows and is based upon information supplied by the District's Engineer.

Description

Proceeds of the sale of the Prior Bonds were used to finance the District's cost of the construction or acquisition of underground water supply and distribution, wastewater collection and treatment, and storm drainage facilities, and other facilities, to serve (i) the single-family residential lots which have been developed within the District described in this Official Statement under the caption "DEVELOPMENT OF THE DISTRICT"; and (ii) certain unrestricted reserves which have been provided perimeter trunk water distribution, wastewater collection, and storm drainage facilities. In addition to the acquisition, construction, rehabilitation, and repair of the components of the System that the District has financed with portions of the proceeds of the sale of the Prior Bonds, the District expects to finance the acquisition, construction, rehabilitation or repair of additional components of the System with portions of the proceeds of the sale of bonds, if any, in the future. See "THE BONDS - Issuance of Additional Debt," "INVESTMENT CONSIDERATIONS - Future Debt," and "DEVELOPMENT OF THE DISTRICT."

- Storm Drainage -

Storm water drainage for the District is accomplished by a channel improvement and storm sewer system financed with proceeds of the sale of the Prior Bonds. See "100-Year Flood Plain" below.

- Water Supply -

Portions of the proceeds of the Prior Bonds were used to finance the construction of the District's water supply facilities, which currently consist of a 1,300 gallons-per-minute ("g.p.m.") water well, a 1,700 g.p.m. water well, 800,000 gallons of ground storage tank capacity, a 25,000-gallon hydropneumatic tank, booster pumps aggregating 2,400 g.p.m., an auxiliary power generator, a 600,000-gallon elevated storage tank and related appurtenances. The District has constructed emergency water interconnection lines with the adjacent Fort Bend County Municipal Utility District No. 30 to provide emergency sources of water for the districts. According to the District's Engineer, the capacity contained in the aforementioned water supply facilities is adequate to serve 4,000 equivalent single-family connections, including the 2,894 fully developed single-family residential lots and other development that are located within the District which are described in this Official Statement under the caption "DEVELOPMENT OF THE DISTRICT."

- Wastewater Treatment -

The District financed the cost of a wastewater treatment facility with a portion of the proceeds of the sale of the Prior Bonds. The capacity of the facility is 1,180,000 gallons-per-day. The facility is capable of serving 3,933 equivalent single-family connections, based on 300 gallons-per-day per connection, including the 2,894 fully developed single-family residential lots and other development that are located within the District which are described in this Official Statement under the caption "DEVELOPMENT OF THE DISTRICT."

West Keegans Bayou Improvement District

The entirety of the District lies within the Drainage District. The Drainage District is responsible for providing major drainage outfall and flood protection for the District. The Drainage District, which covers approximately 2,352 acres of land, has issued bonds to finance the acquisition or construction of drainage improvements to serve the land which lies within the Drainage District. See "INVESTMENT CONSIDERATIONS - District Tax Levy and Overlapping District Taxes and Functions."

100-Year Flood Plain

According to the District's Engineer, the Federal Emergency Management Agency Flood Hazard Boundary Map currently in effect which covers the land located in the District indicates that no portion of the District is located in the 100-year flood plain of Keegans Bayou, which is contained within the banks of Keegans Bayou as a consequence of improvements constructed by the Drainage District.

"Flood Insurance Rate Map" or "FIRM" means an official map of a community on which the Federal Emergency Management Agency (FEMA) has delineated the appropriate areas of flood hazards. The 1% chance of probable inundation, also known as the 100-year flood plain, is depicted on these maps. The "100 year flood plain" (or 1% chance of probable inundation) as shown on the FIRM is the estimated geographical area that would be flooded by a rain storm of such intensity to statistically have a one percent chance of occurring in any given year. Generally speaking, homes must be built above the 100 year flood plain in order to meet local regulatory requirements and to be eligible for federal flood insurance. An engineering or regulatory determination that an area is above the 100 year flood plain is not an assurance that homes built in such area will not be flooded, and a number of neighborhoods in the greater Houston area that are above the 100-year flood plain have flooded multiple times in the last several years.

Subsidence and Conversion to Surface Water Supply

The District is within the boundaries of the Fort Bend Subsidence District (the "Subsidence District"), which regulates groundwater withdrawal. The District's authority to pump groundwater is subject to an annual consolidated permit issued by the Subsidence District to the North Fort Bend Water Authority (the "Authority") on behalf of its participants. The Subsidence District has adopted regulations requiring reduction of groundwater withdrawals through conversion to alternate source water (e.g., surface water) in certain areas within the Subsidence District's jurisdiction, including the area within the District.

The Subsidence District's regulations require the District, individually or collectively with other water users, to: (i) have prepared a groundwater reduction plan ("GRP") and obtain certification of the GRP from the Subsidence District by 2008; (ii) have limited groundwater withdrawals to no more than 70% of the total water demand of the water users within the GRP, beginning January 2014 and (iii) limit groundwater withdrawals to no more than 40% of the total water demand of the water users within the GRP, beginning January 2025.

In 2005, the Texas legislature created the Authority to, among other things, reduce groundwater usage in, and to provide surface water to, the northern portion of Fort Bend County (including the District) and a small portion of Harris County. The District has chosen to participate in the Authority and thereby comply with the above Subsidence District regulations, collectively, with the other water users within the Authority. The Authority, among other powers, has the power to: (i) establish fees (including fees imposed on the District for groundwater pumped by the District and surface water received by the District), user fees, rates, charges and special assessments as necessary to accomplish its purposes; (ii) issue debt supported by the revenues pledged for the payment of its obligations; and (iii) mandate water users, including the District, to convert from groundwater to surface water. In March 2008, the Authority adopted a Groundwater Reduction Plan in which the District is a participant. The Authority currently charges the District, and other major groundwater users, a fee of $3.65 per 1,000 gallons of groundwater pumped and $4.00 per 1,000 gallons of surface water received. Said fees may be increased by the Authority at any time. The District began receiving surface water on May 31, 2011. The Authority currently has $543,550,000 of revenue bonds outstanding and anticipates issuing substantial amounts of additional revenue bonds in the future to finance the Authority's project costs.

If the Authority fails to comply with the above Subsidence District regulations, the District will be subject to a disincentive fee penalty imposed by the Subsidence District for any groundwater withdrawn in excess of the then-current limit. If the District fails to comply with surface water conversion requirements when and if mandated by the Authority, the District would be subject to monetary or other penalties imposed by the Authority.

The District cannot predict the amount or level of fees and charges, which may be due the Authority in the future, but anticipates the need to pass such fees through to its customers: (i) through higher water rates and/or (ii) with portions of maintenance tax proceeds, if any. In addition, conversion to surface water could necessitate improvements to the System which could require the issuance of additional bonds by the District. No representation is made that the Authority: (i) will continue to comply with the GRP, (ii) will build the necessary facilities to meet the requirements of the Subsidence District for conversion to surface water, or (iii) will comply with the Subsidence District's surface water conversion requirements.

LEGAL MATTERS

Legal Opinions

Delivery of the Bonds will be accompanied by the unqualified approving legal opinion of the Attorney General of Texas as recorded in the Bond Register of the Comptroller of Public Accounts of the State of Texas, to the effect that the Bonds are valid and binding obligations of the District under the Constitution and laws of the State of Texas, and all taxable property within the District is subject to the levy of ad valorem taxes to pay the same, without legal limitation as to rate or amount, based upon examination of a transcript of certified proceedings held incident to the issuance and authorization of the Bonds, and the approving legal opinion of Coats Rose, P.C., Bond Counsel for the District, to a like effect. Such opinions express no opinion with respect to the sufficiency of the security for or the marketability of the Bonds. The legal opinion of McCall, Parkhurst & Horton, L.L.P. ("Special Tax Counsel") will address the matters described below under "TAX MATTERS." Such opinion will express no opinion with respect to the sufficiency of the security for or the marketability of the Bonds.

Bond Counsel has reviewed the information appearing in this Official Statement under "THE BONDS" (except for information under the subheading "Book-Entry-Only System"), "PLAN OF FINANCING - Refunded Bonds," - "Escrow Agreement," and - "Defeasance of the Refunded Bonds," "THE DISTRICT - Authority" and - "Attorney," "TAXING PROCEDURES," "LEGAL MATTERS - Legal Opinions" (but only insofar as such caption relates to the opinion of Bond Counsel), and "CONTINUING DISCLOSURE OF INFORMATION" solely to determine whether such information, insofar as it relates to matters of law, is true and correct and whether such information fairly summarizes matters of law and the provisions of the documents referred to therein. In its capacity as Special Tax Counsel, McCall, Parkhurst & Horton, L.L.P., has reviewed the information appearing in this Official Statement under the captions "LEGAL MATTERS - Legal Opinions" (but only insofar as such caption relates to the opinion of Special Tax Counsel), and "TAX MATTERS" to determine whether such information fairly summarizes the procedures, law and documents referred to therein. Bond Counsel and Special Tax Counsel have not, however, independently verified any of the other factual information contained in this Official Statement nor have they conducted an investigation of the affairs of the District for the purpose of passing upon the accuracy or completeness of this Official Statement. No person is entitled to rely upon such parties' limited participation as an assumption of responsibility for, or an expression of opinion of any kind with regard to the accuracy or completeness of any of the information contained herein.

Coats Rose, P.C., also serves as general counsel to the District on matters other than the issuance of bonds. The legal fees paid to Bond Counsel for services rendered in connection with the issuance of the Bonds are based on a percentage of the bonds actually issued, sold and delivered and, therefore, such fees are contingent upon the sale and delivery of the Bonds. Certain legal matters will be passed upon for the Underwriters by their counsel, McCall, Parkhurst &Horton L.L.P., Dallas, Texas. McCall, Parkhurst & Horton L.L.P. has represented the District as Disclosure Counsel on certain previous new money financings.

No Arbitrage

The District will certify on the date the Bonds are delivered and paid for that based upon all facts and estimates now known or reasonably expected to be in existence, the District reasonably expects that the proceeds of the Bonds will not be used in a manner that would cause the Bonds, or any portion of the Bonds, to be "arbitrage bonds" under Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations prescribed from time to time thereunder. Furthermore, all officers, employees and agents of the District have been authorized and directed to provide certifications of facts and estimates that are material to the reasonable expectations of the District as of the date the Bonds are delivered and paid for. In particular, all or any officers of the District have been authorized to certify to the facts, circumstances and reasonable expectations of the District on the date the Bonds are delivered and paid for regarding the amount and use of the proceeds of the Bonds. Moreover, the District will covenant in the Bond Resolutions that it will make such use of the proceeds of the Bonds, regulate investments of proceeds of the Bonds and take such other and further actions and follow such procedures, including without limitation, calculation of the yield on the Bonds, as may be required so that the Bonds will not become "arbitrage bonds" under the Code and the regulations prescribed from time to time thereunder.

No-Litigation Certificate

The District will furnish the Underwriters a certificate, executed by the President and Secretary of the Board, and dated as of the date of delivery of the Bonds, that to their knowledge, no litigation is pending or threatened affecting the validity of the Bonds, or the levy and/or collection of taxes for the payment thereof, or the organization or boundaries of the District, or the title of the officers thereof to their respective offices.

No Material Adverse Change

The obligations of the Underwriters to take up and pay for the Bonds, and of the District to deliver the Bonds, are subject to the condition that, up to the time of delivery of and receipt of payment for the Bonds, there shall have been no material adverse change in the financial condition of the District subsequent to the date of sale from that set forth in the Preliminary Official Statement, as it may have been finalized, supplemented or amended through the date of sale.

TAX MATTERS

Opinion

On the date of initial delivery of the Bonds, McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Special Tax Counsel to the District, will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof ("Existing Law") (i) interest on the Bonds for federal income tax purposes will be excludable from the "gross income" of the holders thereof and (ii) the Bonds will not be treated as "specified private activity bonds" the interest of which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). Except as stated above, Special Tax Counsel to the District will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Bonds.

In rendering its opinion, Special Tax Counsel will rely upon (a) the opinion of Coats Rose, P.C., Bond Counsel, that the Bonds are valid and binding obligations of the District payable from the proceeds of a generally-applicable ad valorem tax, (b) the District's federal tax certificate and the verification report prepared by Robert Thomas CPA, LLC and (c) covenants of the District with respect to arbitrage compliance, the application of the proceeds to be received from the issuance and sale of the Bonds and certain other matters. Failure by the District to observe the aforementioned representations or covenants, could cause the interest on the Bonds to become taxable retroactively to the date of issuance.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The opinion of Special Tax Counsel to the District is conditioned on compliance by the District with such requirements, and Special Tax Counsel to the District has not been retained to monitor compliance with these requirements subsequent to the issuance of the Bonds.

Special Tax Counsel's opinion represents its legal judgment based upon its review of Existing Law and the reliance on the aforementioned information, representations and covenants. Special Tax Counsel's opinion is not a guarantee of a result. Existing Law is subject to change by the Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Bonds.

A ruling was not sought from the Internal Revenue Service by the District with respect to the Bonds or the property financed or refinanced with proceeds of the Bonds or the Refunded Bonds. No assurances can be given as to whether the Internal Revenue Service will commence an audit of the Bonds, or as to whether the Internal Revenue Service would agree with the opinion of Special Tax Counsel. If an Internal Revenue Service audit is commenced, under current procedures the Internal Revenue Service is likely to treat the District as the taxpayer and the Bondholders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

Federal Income Tax Accounting Treatment of Original Issue Discount Bonds

The initial public offering price to be paid for certain maturities of the Bonds may be less than the principal amount thereof or one or more periods for the payment of interest on the bonds may not be equal to the accrual period or be in excess of one year (the "Original Issue Discount Bonds"). In such event, the difference between (i) the "stated redemption price at maturity" of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond would constitute original issue discount. The "stated redemption price at maturity" means the sum of all payments to be made on the bonds less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under Existing Law, any owner who has purchased such Original Issue Discount Bond in the initial public offering is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Bond was held by such initial owner) is includable in gross income.

Under Existing Law, the original issue discount on each Original Issue Discount Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Bond.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of original issue discount bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of interest accrued upon redemption, sale or other disposition of such original issue discount bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such original issue discount bonds.

Collateral Federal Income Tax Consequences

The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Bonds. This discussion is based on existing statutes, regulations, published rulings and court decisions, all of which are subject to change or modification, retroactively.

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with accumulated earnings and profits and excess passive investment income, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium assistance credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM RECENTLY ENACTED LEGISLATION AND THE PURCHASE, OWNERSHIP AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE BONDS.

Under Section 6012 of the Code, holders of tax-exempt obligations, such as the Bonds, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Bonds, if such obligation was acquired at a “market discount” and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to “market discount bonds” to the extent such gain does not exceed the accrued market discount of such bonds; although for this purpose, a de minimis amount of market discount is ignored. A “market discount bond” is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the “revised issue price” (i.e., the issue price plus accrued original issue discount). The “accrued market discount” is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

State, Local and Foreign Taxes

Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership or disposition of the Bonds under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

Qualified Tax-Exempt Obligations for Financial Institutions

Section 265(a) of the Code provides, in pertinent part, that interest paid or incurred by a taxpayer, including a “financial institution,” on indebtedness incurred or continued to purchase or carry tax-exempt obligations is not deductible in determining the taxpayer’s taxable income. Section 265(b) of the Code provides an exception to the disallowance of such deduction for any interest expense paid or incurred on indebtedness of a taxpayer that is a “financial institution” allocable to tax-exempt obligations, other than “private activity bonds,” that are designated by a “qualified small issuer” as “qualified tax-exempt obligations.” A “qualified small issuer” is any governmental issuer (together with any “on-behalf of” and “subordinate” issuers) who issues no more than $10,000,000 of tax-exempt obligations during the calendar year. Section 265(b)(5) of the Code defines the term “financial institution” as any “bank” described in Section 585(a)(2) of the Code, or any person accepting deposits from the public in the ordinary course of such person’s trade or business that is subject to federal or state supervision as a financial institution. Notwithstanding the exception to the disallowance of the deduction of interest on indebtedness related to “qualified tax-exempt obligations” provided by Section 265(b) of the Code, Section 291 of the Code provides that the allowable deduction to a “bank,” as defined in Section 585(1)(2) of the Code, for interest on indebtedness incurred or continued to purchase “qualified tax-exempt obligations” shall be reduced by twenty-percent (20%) as a “financial institution preference item.”

The District expects to designate the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b) of the Code. In furtherance of that designation, the District will covenant to take such action that would assure, or to refrain from such action that would adversely affect, the treatment of the Bonds as “qualified tax-exempt obligations.” **Potential purchasers should be aware that if the issue price to the public exceeds $10,000,000, there is a reasonable basis to conclude that the payment of a de minimis amount of premium in excess of $10,000,000 is disregarded; however, the Internal Revenue Service could take a contrary view. If the Internal Revenue Service takes the position that the amount of such premium is not disregarded, then such obligations might fail to satisfy the aforementioned dollar limitation and the Bonds would not be “qualified tax-exempt obligations.”**

VERIFICATION OF ACCURACY OF MATHEMATICAL COMPUTATIONS

The arithmetical accuracy of certain computations included in the schedules provided on behalf of the District relating to (a) computation of the adequacy of the amounts to be held by the Paying Agent for the Refunded Bonds to pay, when due, the principal or redemption price of and interest on the Refunded Bonds, and (b) the mathematical computations related to certain requirements of City of Houston Ordinance No. 97-416 was verified by Robert Thomas, CPA, LLC. The computations were independently verified by Robert Thomas, CPA, LLC based solely upon assumptions and information supplied on behalf of the District, and the District. Robert Thomas, CPA, LLC has restricted its procedures to verifying the arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information upon which the computations are based and, accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions, or the achievability of future events.

Robert Thomas, CPA, LLC relied on the accuracy, completeness and reliability of all information provide to it by, and on all decisions and approvals of, the District. In addition, Robert Thomas, CPA, LLC has relied on any information provided to it by the District’s retained advisors, consultants or legal counsel. Robert Thomas, CPA, LLC was not engaged to perform audit or attest services under AICPA auditing or attestation standards or to provide any form of attest report or opinion under such standards in conjunction with this engagement.

OFFICIAL STATEMENT

General

The information contained in this Official Statement has been obtained primarily from the District's records, the Fort Bend Central Appraisal District, the Harris County Appraisal District, and other sources believed to be reliable; however, no representation is made by the District as to the accuracy or completeness of the information contained herein, except as described below under “Certification of Official Statement.” The summaries of the statutes, resolutions and engineering and other related reports set forth herein are included subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information.

The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The District's audited financial statements for the year ended August 31, 2018, were prepared by McCall Gibson Swedlund Barfoot PLLC, Certified Public Accountants, and have been included herein as “APPENDIX B.” McCall Gibson Swedlund Barfoot PLLC, Certified Public Accountants, has consented to the publication of such financial statements in this Official Statement.

Experts

The information contained in this Official Statement relating to engineering, to the description of the System generally and, in particular, the engineering information included in the section captioned "THE SYSTEM" has been provided by Pape-Dawson Engineers, Inc., Houston, Texas. Such information has been included herein in reliance upon the authority of said firm as an expert in the field of civil engineering.

The information contained in this Official Statement relating to assessed valuations of property generally and, in particular, that information concerning principal taxpayers, tax collection rates and valuations contained in the sections captioned "TAX DATA" and "DISTRICT DEBT" has been provided by the Fort Bend Central Appraisal District, the Harris County Appraisal District, and Assessments of the Southwest, Inc.. The District has included certain information herein in reliance upon Assessments of the Southwest, Inc.'s authority as an expert in the field of tax assessing and real property appraisal.

Updating of Official Statement

If, subsequent to the date of the Official Statement, to and including the date the Underwriters are no longer required to provide an Official Statement to customers who request same pursuant to Rule 15c2-12 of the United States Securities and Exchange Commission (the "SEC"), the District learns, or is notified by the Underwriters, of any adverse event which causes the Official Statement to be materially misleading, and unless the Underwriters elect to terminate its obligation to purchase the Bonds, the District will promptly prepare and supply to the Underwriters an appropriate amendment or supplement to the Official Statement satisfactory to the Underwriters; provided, however, that the obligation of the District to so amend or supplement the Official Statement will terminate upon the earlier of (i) 90 days after the "end of the underwriting period" as defined in SEC Rule 15c2-12 or (ii) the date the Official Statement is filed with the MSRB (hereinafter defined), but in no case less than 25 days after the "end of the underwriting period."

Certification of Official Statement

At the time of payment for and delivery of the Bonds, the District will furnish the Underwriters a certificate, executed by the President or Vice President and Secretary or Assistant Secretary of the Board, acting in their official capacities, to the effect that to the best of their knowledge and belief: (a) the information, descriptions and statements of or pertaining to the District contained in this Official Statement, on the date thereof and on the date of delivery were and are true and correct in all material respects; (b) insofar as the District and its affairs, including its financial affairs, are concerned, this Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated herein or necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading; and (c) insofar as the descriptions and statements, including financial data contained in this Official Statement, of or pertaining to entities other than the District and their activities are concerned, such statements and data have been obtained from sources which the District believes to be reliable and that the District has no reason to believe that they are untrue in any material respect or omit to state any material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading; however, the District has made no independent investigation as to the accuracy or completeness of the information derived from sources other than the District.

CONTINUING DISCLOSURE OF INFORMATION

In the Bond Resolution, the District has made the following agreement for the benefit of the holders and beneficial owners of the Bonds. The District is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the District will be obligated to provide certain updated financial information and operating data annually, and timely notice of certain specified events, to the Municipal Securities Rulemaking Board (the "MSRB") or any successor to its functions as a repository through its Electronic Municipal Market Access ("EMMA") system.

Annual Reports

The District will provide certain updated financial information and operating data to the MSRB annually. The information to be updated includes all quantitative financial information and operating data with respect to the District of the general type included in this Official Statement under the headings "DISTRICT DEBT," "TAX DATA," and in "APPENDIX B" (the Audit). The District will update and provide this information within six months after the end of each fiscal year ending in or after 2019.

The District may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by SEC Rule 15c2-12. The updated information will include audited financial statements, if the District's audit is completed by the required time. If audited financial statements are not available by the required time, the District will provide unaudited financial statements within the required time, and audited financial statements when the audit report becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in the Bond Resolution or such other accounting principles as the District may be required to employ from time to time pursuant to state law or regulation.

The District's current fiscal year end is August 31. Accordingly, it must provide updated information by the last day of February in each year, unless the District changes its fiscal year. If the District changes its fiscal year, it will notify the MSRB of the change.

Event Notices

The District will provide timely notices of certain specified events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten business days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determination of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other events affecting the tax-exempt status of the Bonds; (7) modifications to rights of beneficial owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District or other obligated person within the meaning of SEC Rule 15c2-12; (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person within the meaning of SEC Rule 15c2-12 or the sale of all or substantially all of the assets of the District or other obligated person within the meaning of the SEC Rule 15c2-12, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District (as defined by SEC Rule 15c2-12, which includes certain debt, debt-like, and debt-related obligations), if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of any such financial obligation of the District, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any such financial obligation of the District, any of which reflect financial difficulties. The term "material" when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Resolution makes any provision for debt service reserves or liquidity enhancement. In addition, the District will provide timely notice of any failure by the District to provide financial information, operating data, or financial statements in accordance with its agreement described above under "Annual Reports."

Availability of Information

The District has agreed to provide the foregoing information only to the MSRB. Investors will be able to access, without charge from the MSRB, continuing disclosure information filed with the MSRB through its EMMA system at www.emma.msrb.org.

Limitations and Amendments

The District has agreed to update information and to provide notices of certain specified events only as described above. The District has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The District makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The District disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders or Beneficial Owners of Bonds may seek a writ of mandamus to compel the District to comply with its agreement.

The District may amend its continuing disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the District, if but only if the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering made hereby in compliance with the SEC Rule 15c2-12, taking into account any amendments or interpretations of such Rule to the date of such amendment, as well as such changed circumstances, and either the holders of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or any person unaffiliated with the District (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. The District may amend or repeal the agreement in the Bond Resolution if the SEC amends or repeals the applicable provisions of such Rule or a court of final jurisdiction determines that such provisions are invalid or unenforceable, but only to the extent that its right to do so would not prevent the Underwriter from lawfully purchasing the Bonds in the initial offering. If the District so amends the agreement, it has agreed to include with any financial information or operating data next provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

Compliance With Prior Undertakings

During the last five years, the District has complied in all material respects with all continuing disclosure agreements made by it in accordance with the SEC Rule 15c2-12, except as follows. For its filings due in 2014 and 2015, certain financial information which the District agreed to update was not included. All of such information, along with the appropriate notices of late filing, has now been filed. The District's filings due in 2016 through 2018 were complete and timely made.

This Official Statement is duly approved by the Board of Directors of the District as of the date specified on the first page hereof.

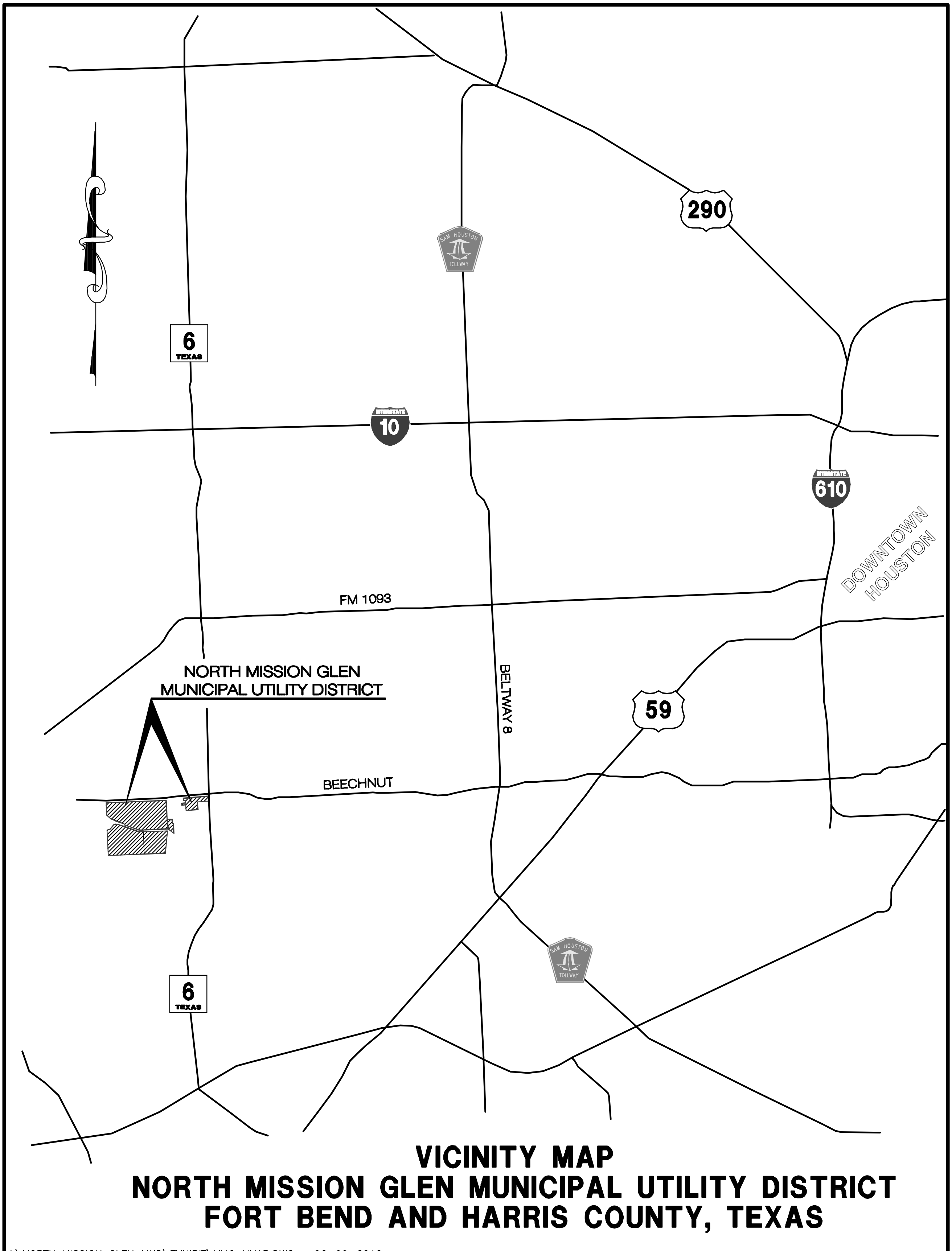
/s/ J. Keith Parker
President, Board of Directors
North Mission Glen Municipal Utility District

ATTEST:

/s/ Breah Campbell
Secretary, Board of Directors
North Mission Glen Municipal Utility District

APPENDIX A

LOCATION MAP



APPENDIX B

NORTH MISSION GLEN MUNICIPAL UTILITY DISTRICT

FORT BEND COUNTY AND HARRIS COUNTY TEXAS

ANNUAL FINANCIAL REPORT

AUGUST 31, 2018

NORTH MISSION GLEN MUNICIPAL UTILITY DISTRICT

FORT BEND COUNTY AND HARRIS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

AUGUST 31, 2018

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

NORTH MISSION GLEN MUNICIPAL UTILITY DISTRICT

FORT BEND COUNTY AND HARRIS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

AUGUST 31, 2018

T A B L E   O F   C O N T E N T S

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

13100 Wortham Center Drive
Suite 235
Houston, Texas 77065-5610
(713) 462-0341
Fax (713) 462-2708
E-Mail: mgsb@mgsbpllc.com

9600 Great Hills Trail
Suite 150W
Austin, Texas 78759
(512) 610-2209
www.mgsbpllc.com

INDEPENDENT AUDITOR'S REPORT

Board of Directors
North Mission Glen Municipal
Utility District
Fort Bend County and Harris County, Texas

We have audited the accompanying financial statements of the governmental activities and each major fund of North Mission Glen Municipal Utility District (the "District"), as of and for the year ended August 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

Board of Directors
North Mission Glen Municipal
Utility District

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 August 31, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

McCall Gibson Swedlund Barfoot PLLC

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
Houston, Texas

December 11, 2018

Management's discussion and analysis of North Mission Glen Municipal Utility District's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended August 31, 2018. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

FUND FINANCIAL STATEMENTS

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

FUND FINANCIAL STATEMENTS (Continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets and deferred outflows exceeded liabilities by $3,803,072 as of August 31, 2018.

A portion of the District's net position reflects its net investment in capital assets (e.g. land, buildings and equipment as well as water, wastewater and drainage facilities, less any debt used to acquire those assets that is still outstanding).

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The following is a comparative analysis of government-wide changes in net position:

	Summary of Changes in the Statement of Net Position		
	2018	2017	Change Positive (Negative)
Current and Other Assets	$ 9,915,326	$ 9,470,801	$ 444,525
Capital Assets (Net of Accumulated Depreciation)	18,749,835	19,439,770	(689,935)
Total Assets	$ 28,665,161	$ 28,910,571	$ (245,410)
Deferred Outflows of Resources	$ 114,553	$ -0-	$ 114,553
Long-Term Liabilities	$ 22,863,865	$ 23,669,812	$ 805,947
Other Liabilities	2,112,777	2,162,550	49,773
Total Liabilities	$ 24,976,642	$ 25,832,362	$ 855,720
Net Position:			
Net Investment in Capital Assets	$ (5,139,477)	$ (5,255,042)	$ 115,565
Restricted	3,209,995	3,105,975	104,020
Unrestricted	5,732,554	5,227,276	505,278
Total Net Position	$ 3,803,072	$ 3,078,209	$ 724,863

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

	Summary of Changes in the Statement of Activities		
	2018	2017	Change Positive (Negative)
Revenues:			
Property Taxes	$ 2,386,340	$ 2,259,119	$ 127,221
Charges for Services	2,686,746	2,549,591	137,155
Other Revenues	126,455	88,250	38,205
Total Revenues	$ 5,199,541	$ 4,896,960	$ 302,581
Expenses for Services	(4,474,678)	(4,369,635)	(105,043)
Change in Net Position	$ 724,863	$ 527,325	$ 197,538
Net Position, Beginning of Year	3,078,209	2,550,884	527,325
Net Position, End of Year	$ 3,803,072	$ 3,078,209	$ 724,863

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of August 31, 2018, were $9,125,859, an increase of $544,479 from the prior year.

The General Fund fund balance increased by $496,587, primarily due to operating revenues and property tax collections exceeding operating costs and capital outlay.

The Debt Service Fund fund balance increased by $47,892, primarily due to a timing difference between tax collections and debt service payments, and issuance of Series 2017 Refunding bonds.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors amended the budget during the fiscal year to increase revenues by $214,761 and increase expenditures by $253,168. Actual revenues were $25,631 more than budgeted revenues. Actual expenditures were $287,317 less than budgeted expenditures.

CAPITAL ASSETS

Capital assets as of August 31, 2018, total $18,749,835 (net of accumulated depreciation) and include land, buildings and equipment as well as the water, wastewater and drainage systems. Significant additions were for water plant repainting and improvements.

Capital Assets At Year-End, Net of Accumulated Depreciation

	2018	2017	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	$ 423,102	$ 423,102	$
Construction in Progress	217,072	32,877	184,195
Capital Assets, Net of Accumulated Depreciation:			
Water System	4,561,697	4,914,371	(352,674)
Wastewater System	7,744,688	8,042,610	(297,922)
Drainage System	5,538,246	5,750,725	(212,479)
Drainage Impact Fees	265,030	276,085	(11,055)
Total Net Capital Assets	$ 18,749,835	$ 19,439,770	$ (689,935)

Additional information on the District's capital assets can be found in Note 6.

LONG-TERM DEBT ACTIVITY

At the end of the current fiscal year, the District had total long-term debt payable of $23,105,000. The changes in the debt position of the District during the fiscal year ended August 31, 2018, are summarized as follows:

Bond Debt Payable, September 1, 2017	$ 23,940,000
Add: Series 2017 Refunding Bonds	5,160,000
Less: Bond Principal Retired	5,995,000
Bond Debt Payable, August 31, 2018	$ 23,105,000

The District's bonds have an underlying rating of "A-" from Standard & Poor's Ratings Services ("S&P"). The Series 2010 Refunding Bonds, Series 2012 Refunding Bonds, Series 2013 Refunding Bonds and Series 2017 Refunding Bonds carry an insured rating of "AA" by virtue of bond insurance issued by Assured Guaranty Municipal Corporation. The Series 2011 bonds are not insured.

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to North Mission Glen Municipal Utility District, c/o Coats Rose, P.C., 9 Greenway Plaza, Suite 1000, Houston, TX 77046-0307.

NORTH MISSION GLEN MUNICIPAL UTILITY DISTRICT
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
AUGUST 31, 2018

	General Fund	Debt Service Fund
ASSETS		
Cash	$ 1,793,335	$ 671,125
Investments	4,103,451	1,354,975
Cash with Paying Agent		1,565,631
Receivables:		
Property Taxes	6,971	39,408
Penalty and Interest on Delinquent Taxes		
Service Accounts (Net of Allowance for Doubtful Accounts of $3,500)	173,438	
Accrued Interest	10,213	837
Due from Other Funds		3,456
Prepaid Costs		
Land		
Construction in Progress		
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	$ 6,087,408	$ 3,635,432
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charges on Refunding Bonds	$ -0-	$ -0-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 6,087,408	$ 3,635,432

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

Total	Adjustments	Statement of Net Position
$ 2,464,460	$	$ 2,464,460
5,458,426		5,458,426
1,565,631		1,565,631
46,379		46,379
	8,287	8,287
173,438		173,438
11,050		11,050
3,456	(3,456)	
	187,655	187,655
	423,102	423,102
	217,072	217,072
	18,109,661	18,109,661
$ 9,722,840	$ 18,942,321	$ 28,665,161
$ -0-	$ 114,553	$ 114,553
$ 9,722,840	$ 19,056,874	$ 28,779,714

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

NORTH MISSION GLEN MUNICIPAL UTILITY DISTRICT
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
AUGUST 31, 2018

	General Fund	Debt Service Fund
LIABILITIES		
Accounts Payable	$ 135,763	$ 3,332
Due to Other Governments	81,563	
Accrued Interest Payable		
Due to Other Funds	3,456	
Due to Taxpayers		4,761
Security Deposits	321,727	
Long-Term Liabilities:		
Due Within One Year		
Due After One Year		
TOTAL LIABILITIES	$ 542,509	$ 8,093
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	$ 6,971	$ 39,408
FUND BALANCES		
Restricted for Debt Service	$	$ 3,587,931
Unassigned	5,537,928	
TOTAL FUND BALANCES	$ 5,537,928	$ 3,587,931
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 6,087,408	$ 3,635,432
NET POSITION		
Net Investment in Capital Assets		
Restricted for:		
Debt Service		
Unrestricted		
TOTAL NET POSITION		

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

Total	Adjustments	Statement of Net Position
$ 139,095	$	$ 139,095
81,563		81,563
	425,631	425,631
3,456	(3,456)	
4,761		4,761
321,727		321,727
	1,140,000	1,140,000
	22,863,865	22,863,865
$ 550,602	$ 24,426,040	$ 24,976,642
$ 46,379	$ (46,379)	$ -0-
$ 3,587,931	$ (3,587,931)	$
5,537,928	(5,537,928)	
$ 9,125,859	$ (9,125,859)	$ - 0 -
$ 9,722,840		
	$ (5,139,477)	$ (5,139,477)
	3,209,995	3,209,995
	5,732,554	5,732,554
	$ 3,803,072	$ 3,803,072

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

NORTH MISSION GLEN MUNICIPAL UTILITY DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
AUGUST 31, 2018

Total Fund Balances - Governmental Funds		$ 9,125,859
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Bond insurance premiums paid at closing are amortized over the term of the refunding bonds in the government-wide financial statements.		187,655
The difference between the net carrying amount of the refunded bonds and the reacquisition price is recorded as a deferred outflow of resources in the governmental activities and systematically charged to interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter.		114,553
Land, construction in progress and capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		18,749,835
Deferred inflows of resources related to property tax revenues and penalty and interest receivables on delinquent taxes for the 2017 and prior tax levies became part of recognized revenues in the governmental activities of the District.		54,666
Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year-end consist of:		
Accrued Interest Payable	$ (425,631)	
Bonds Payable Within One Year	(1,140,000)	
Bonds Payable After One Year	(22,863,865)	(24,429,496)
Total Net Position - Governmental Activities		$ 3,803,072

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

THIS PAGE INTENTIONALLY LEFT BLANK

NORTH MISSION GLEN MUNICIPAL UTILITY DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED AUGUST 31, 2018

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	$ 410,315	$ 1,966,305
Water Service	690,154	
Wastewater Service	931,759	
Regional Water Authority Fees	893,661	
Transfer and Reconnection Fees	31,004	
Penalty and Interest	53,235	26,794
Tap Connection and Inspection Fees	58,800	
Investment Revenues	53,722	32,376
Miscellaneous Revenues	40,357	
TOTAL REVENUES	$ 3,163,007	$ 2,025,475
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	$ 106,913	$ 27,437
Contracted Services	1,257,148	61,098
Purchased Water Service	558,867	
Utilities	147,176	
Regional Water Authority Assessments	260,922	
Repairs and Maintenance	46,568	
Depreciation		
Other	99,831	5,451
Capital Outlay	188,995	
Debt Service:		
Bond Principal		1,025,000
Bond Interest		852,235
Bond Issuance Costs		278,258
Payment to Refunded Bond Escrow Agent		12,000
TOTAL EXPENDITURES/EXPENSES	$ 2,666,420	$ 2,261,479
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 496,587	$ (236,004)

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

Total	Adjustments	Statement of Activities
$ 2,376,620	$ 9,720	$ 2,386,340
690,154		690,154
931,759		931,759
893,661		893,661
31,004		31,004
80,029	1,339	81,368
58,800		58,800
86,098		86,098
40,357		40,357
$ 5,188,482	$ 11,059	$ 5,199,541
$ 134,350	$	$ 134,350
1,318,246		1,318,246
558,867		558,867
147,176		147,176
260,922		260,922
46,568	4,800	51,368
	874,130	874,130
105,282		105,282
188,995	(188,995)	
1,025,000	(1,025,000)	
852,235	(87,449)	764,786
278,258	(18,707)	259,551
12,000	(12,000)	
$ 4,927,899	$ (453,221)	$ 4,474,678
$ 260,583	$ 464,280	$ 724,863

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

NORTH MISSION GLEN MUNICIPAL UTILITY DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED AUGUST 31, 2018

	General Fund	Debt Service Fund
OTHER FINANCING SOURCES (USES)		
Refunding Bonds	$	$ 5,160,000
Payment to Refunded Bond Escrow Agent		(5,064,163)
Bond Discount		(6,018)
Bond Premium		194,077
TOTAL OTHER FINANCING SOURCES (USES)	$ -0-	$ 283,896
NET CHANGE IN FUND BALANCES	$ 496,587	$ 47,892
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - SEPTEMBER 1, 2017	5,041,341	3,540,039
FUND BALANCES/NET POSITION - AUGUST 31, 2018	$ 5,537,928	$ 3,587,931

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

Total	Adjustments	Statement of Activities
$ 5,160,000	$ (5,160,000)	$
(5,064,163)	5,064,163	
(6,018)	6,018	
194,077	(194,077)	
$ 283,896	$ (283,896)	$ -0-
$ 544,479	$ (544,479)	$
	724,863	724,863
8,581,380	(5,503,171)	3,078,209
$ 9,125,859	$ (5,322,787)	$ 3,803,072

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

NORTH MISSION GLEN MUNICIPAL UTILITY DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2018

Net Change in Fund Balances - Governmental Funds	$	544,479
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report tax revenues when collected. However, in the government-wide financial statements, revenues are recorded in the accounting period for which the taxes are levied.		9,720
Governmental funds report penalty and interest revenues on delinquent property taxes when collected. However, in the government-wide financial statements, revenues are recorded when the penalty and interest are assessed.		1,339
Governmental funds do not account for depreciation. However, in the government-wide financial statements, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.		(874,130)
Governmental funds report capital asset costs as expenditures in the period purchased. However, in the government-wide financial statements, capital assets are increased by new purchases that meet the District's threshold for capitalization, and are owned and maintained by the District. All other capital asset purchases are expensed in the Statement of Activities.		184,195
Governmental funds report principal payments on long-term debt as expenditures. However, in the government-wide financial statements, principal payments decrease long-term liabilities and the Statement of Activities is not affected.		1,025,000
Governmental funds report interest payments on long-term debt as expenditures in the year paid. However, in the government-wide financial statements, interest is accrued on the debt through fiscal year-end.		87,449

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

NORTH MISSION GLEN MUNICIPAL UTILITY DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2018

Governmental funds report bond proceeds as an other financing source. In the government-wide financial statements, the issuance of long-term debt increases liabilities in the Statement of Net Position and does not affect the Statement of Activities. The District issued Series 2017 Unlimited Tax Refunding Bonds.	(5,160,000)
Governmental funds report the payment to the refunded bond escrow agent from bond proceeds as an other financing use. The payment from current debt service funds is reported as an expenditure. However, in the government-wide financial statements, long-term liabilities are decreased by the amount of the bonds refunded and the difference is added to deferred outflows of resources.	5,076,163
Governmental funds report bond discounts and bond premiums as other financing sources/uses in the year paid. Insurance on the bonds is recorded as a current expenditure in the governmental funds. However, in the government-wide financial statements, bond discounts, bond premiums and bond insurance are amortized over the life of the bonds and the current year amortized portion is recorded in bond interest expense.	(169,352)
Change in Net Position - Governmental Activities	$ 724,863

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

THIS PAGE INTENTIONALLY LEFT BLANK

NOTE 1. CREATION OF DISTRICT

North Mission Glen Municipal Utility District (the "District"), located primarily in Fort Bend County, Texas, and partially in Harris County, Texas, was created by an Order of the Texas Water Rights Commission, presently known as the Texas Commission on Environmental Quality (the "Commission"), effective December 10, 1980. Pursuant to the provisions of Chapters 49 and 54 of the Texas Water Code, the District is empowered to purchase, operate and maintain all facilities, plants and improvements necessary to provide water, wastewater service, storm sewer drainage, irrigation, solid waste collection and disposal, including recycling, and to construct and maintain parks and recreational facilities for the residents of the District. The District is also empowered to contract for or employ its own peace officers with powers to make arrests and to establish, operate and maintain a fire department to perform all firefighting activities within the District. The Board of Directors held its first meeting on February 18, 1981, and the first bonds were sold on August 17, 1983.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

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

Financial Statement Presentation

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

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

- Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

- Restricted Net Position – This component of net position consists of external constraints placed on the use of assets imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

- Unrestricted Net Position – This component of net position consists of assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

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

Government-Wide Financial Statements

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

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

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

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

Governmental Funds

The District has two governmental funds and considers these funds to be major funds.

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

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

Basis of Accounting

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

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

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

Capital Assets

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

Assets are capitalized, including infrastructure assets, if they have a total cost of $5,000 or more and a useful life of at least two years. Depreciation is calculated on each class of depreciable property using no salvage value and the straight-line method of depreciation. Estimated useful lives are as follows:

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

Budgeting

In compliance with governmental accounting principles, the Board of Directors annually adopts an unappropriated budget for the General Fund. The budget was amended during the current fiscal year.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions

The District has not established a pension plan as the District does not have employees. The Internal Revenue Service has determined that fees of office received by Directors are wages subject to federal income tax withholding for payroll tax purposes only.

Measurement Focus

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

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

Nonspendable: amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The District does not have any nonspendable fund balances.

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

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

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

Unassigned: all other spendable amounts in the General Fund.

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

Accounting Estimates

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

NOTE 3. LONG-TERM DEBT

The District's bonds payable at August 31, 2018, consists of the following unlimited tax bonds:

	Refunding Series 2010	Series 2011
Amounts Outstanding – August 31, 2018	$ 695,000	$ 75,000
Interest Rates	4.00%	4.00%
Maturity Dates – Beginning/Ending	September 1, 2018/2019	September 1, 2018/2020
Interest Payment Dates	September 1/ March 1	September 1/ March 1
Callable Dates	September 1, 2017*	September 1, 2018*

NOTE 3. LONG-TERM DEBT (Continued)

	Refunding Series 2012	Refunding Series 2013	Refunding Series 2017
Amounts Outstanding – August 31, 2018	$ 9,025,000	$ 8,150,000	$ 5,160,000
Interest Rates	4.00%	3.00% - 4.00%	2.00% - 4.00%
Maturity Dates – Beginning/Ending	September 1, 2018/2032	September 1, 2018/2032	September 1, 2018/2026, 2029, 2033. 2034
Interest Payment Dates	September 1/ March 1	September 1/ March 1	September 1/ March 1
Callable Dates	September 1, 2019*	September 1, 2020*	September 1, 2024*

* Or on any date thereafter, at the option of the District, in whole or in part, at par plus accrued interest to the date fixed for redemption. Series 2017 term bonds maturing September 1, 2029 and September 1, 2033 are subject to mandatory redemption beginning September 1, 2027 and September 1, 2030, respectively.

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

	September 1, 2017	Additions	Retirements	August 31, 2018
Bonds Payable	$ 23,940,000	$ 5,160,000	$ 5,995,000	$ 23,105,000
Unamortized Discounts	(210,538)	(6,018)	(67,594)	(148,962)
Unamortized Premiums	965,350	194,077	111,600	1,047,827
Bonds Payable, Net	$ 24,694,812	$ 5,348,059	$ 6,039,006	$ 24,003,865

Amount Due Within One Year	$ 1,140,000
Amount Due After One Year	22,863,865
Bonds Payable, Net	$ 24,003,865

NOTE 3. LONG-TERM DEBT (Continued)

As of August 31, 2018, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2019	$ 1,140,000	$ 831,888	$ 1,971,888
2020	1,145,000	792,762	1,937,762
2021	1,170,000	756,613	1,926,613
2022	1,215,000	721,137	1,936,137
2023	1,270,000	682,269	1,952,269
2024-2028	7,050,000	2,705,425	9,755,425
2029-2033	8,840,000	1,166,875	10,006,875
2034-2035	1,275,000	51,900	1,326,900
	$ 23,105,000	$ 7,708,869	$ 30,813,869

As of August 31, 2018, the District had authorized but unissued bonds in the amount of $22,420,000 for utility facilities or refundings and authorized but unissued bonds in the amount of $3,705,000 for refundings. The bonds are payable from the proceeds of an ad valorem tax levied upon all property subject to taxation within the District, without limitation as to rate or amount.

During the year ended August 31, 2018, the District levied an ad valorem debt service tax at the rate of $0.43 per $100 of assessed valuation, which resulted in a tax levy of $1,975,138 on the adjusted taxable valuation of $459,334,450 for the 2017 tax year. The bond resolutions require that the District levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. See Note 7 for maintenance tax.

Levy Date - October 1, or as soon thereafter as practicable.

Lien Date - January 1.

Due Date - Not later than January 31.

Delinquent Date - February 1, at which time the taxpayer is liable for penalty and interest.

NOTE 4. SIGNIFICANT BOND RESOLUTIONS AND LEGAL REQUIREMENTS

A. The bond resolutions state that any profits realized from or interest accruing on investments shall belong to the fund from which the monies for such investments were taken; provided, however, that at the discretion of the Board of Directors, the profits realized from and interest accruing on investments made from any fund may be transferred to the Debt Service Fund.

B. The District has covenanted that it will take all necessary steps to comply with the requirement that rebatable arbitrage earnings on the investment of the gross proceeds of the bonds, within the meaning of section 148 (f) of the Internal Revenue Code, be rebated to the federal government. The minimum requirement for determination of the rebatable amount is on each 5th year anniversary of each issue.

In compliance with this covenant, the 5th year arbitrage rebate calculation reports were completed for the Series 2010, Series 2012 and Series 2013 bond issues and the 10th year arbitrage rebate calculation report was completed for the Series 2005A bond issue. The reports reflect that the District did not have a rebate obligation to the federal government on these issues.

C. The District is required to provide continuing disclosure of certain general financial information and operating data to each nationally recognized municipal securities information repository and the state information depository, through the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") system. This information, along with the audited annual financial statements, is to be provided within six months after the end of each fiscal year and shall continue to be provided through the life of the respective bonds.

NOTE 5. DEPOSITS AND INVESTMENTS

Deposits

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

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year-end, the carrying amount of the District's deposits was $6,704,505 and the bank balance was $6,695,317. Of the bank balance, $2,634,190 was covered by federal depository insurance and the balance was covered by pledged collateral held in a third-party depository in the District's name.

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

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

	Cash	Certificates of Deposit	Total
GENERAL FUND	$ 1,793,335	$ 3,257,477	$ 5,050,812
DEBT SERVICE FUND	671,125	982,568	1,653,693
TOTAL DEPOSITS	$ 2,464,460	$ 4,240,045	$ 6,704,505

Investments

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

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

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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

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

Fund and Investment Type	Fair Value	Maturities in Years: Less Than 1	1-5	6-10	More Than 10
GENERAL FUND					
TexPool	$ 845,974	$ 845,974	$	$	$
Certificates of Deposit	3,257,477	3,257,477			
DEBT SERVICE FUND					
TexPool	372,407	372,407			
Certificates of Deposit	982,568	982,568			
TOTAL INVESTMENTS	$ 5,458,426	$ 5,458,426	$ - 0 -	$ - 0 -	$ - 0 -

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At August 31, 2018, the District's investments in TexPool were rated "AAAm" by Standard & Poor's Ratings Service. The District also manages credit risk by investing in certificates of deposit covered by FDIC insurance and pledged collateral.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investments in TexPool to have a maturity of less than one year due to the fact the share position can usually be redeemed each day at the discretion of the District. The District also manages interest rate risk by investing in certificates of deposit.

Restrictions

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

NOTE 6. CAPITAL ASSETS

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

	September 1, 2017	Increases	Decreases	August 31, 2018
Capital Assets Not Being Depreciated				
Land and Land Improvements	$ 423,102	$	$	$ 423,102
Construction in Progress	32,877	184,195		217,072
Total Capital Assets Not Being Depreciated	$ 455,979	$ 184,195	$ - 0 -	$ 640,174
Capital Assets Subject to Depreciation				
Equipment	$ 9,750	$	$	$ 9,750
Water System	9,107,723			9,107,723
Wastewater System	12,529,941			12,529,941
Drainage System	9,561,586			9,561,586
Drainage Impact Fees	442,180			442,180
Total Capital Assets Subject to Depreciation	$ 31,651,180	$ - 0 -	$ - 0 -	$ 31,651,180
Less Accumulated Depreciation				
Equipment	$ 9,750	$	$	$ 9,750
Water System	4,193,352	352,674		4,546,026
Wastewater System	4,487,331	297,922		4,785,253
Drainage System	3,810,861	212,479		4,023,340
Drainage Impact Fees	166,095	11,055		177,150
Total Accumulated Depreciation	$ 12,667,389	$ 874,130	$ - 0 -	$ 13,541,519
Total Depreciable Capital Assets, Net of Accumulated Depreciation	$ 18,983,791	$ (874,130)	$ - 0 -	$ 18,109,661
Total Capital Assets, Net of Accumulated Depreciation	$ 19,439,770	$ (689,935)	$ - 0 -	$ 18,749,835

The District has financed drainage facilities which have been conveyed to other entities for maintenance.

NOTE 7. MAINTENANCE TAX

On April 4, 1981, the voters of the District approved the levy and collection of a maintenance tax not to exceed $0.25 per $100 of assessed valuation of taxable property within the District. During the year ended August 31, 2018, the District levied an ad valorem maintenance tax at the rate of $0.09 per $100 of assessed valuation, which resulted in a tax levy of $413,401 on the adjusted taxable valuation of $459,334,450 for the 2017 tax year. The maintenance tax is to be used by the General Fund to pay expenditures of operating the District's waterworks and wastewater system.

NOTE 8. EMERGENCY WATER SUPPLY CONTRACT

On April 28, 1986, the District executed an emergency water supply agreement with Fort Bend County Municipal Utility District No. 30. The cost of connection was borne by the District. The term of the agreement is 40 years. The price to be paid for water delivered is $100 for each day or portion thereof during which either district is receiving temporary water service.

NOTE 9. NORTH FORT BEND WATER AUTHORITY

The District is located within the boundaries of the North Fort Bend Water Authority (the "Authority"). The Authority was created under Article 16, Section 59 of the Texas Constitution by House Bill 1798 (the "Act"), as passed by the 79th Texas Legislature in May 2005. The Act empowers the Authority for purposes including the acquisition and provision of surface water and groundwater for residential, commercial, industrial, agricultural, and other uses, the reduction of groundwater withdrawals, the conservation, preservation, protection, recharge, and prevention of waste of groundwater, and of groundwater reservoirs or their subdivisions, and the control of subsidence caused by withdrawal of water from those groundwater reservoirs or their subdivisions. The Authority is overseeing that its participants comply with Fort Bend Subsidence District pumpage requirements.

The Authority may charge a fee, based on the amount of water pumped from a well, to the owner of wells located within the boundaries of the Authority, unless exempted. This fee enables the Authority to fulfill its purpose and regulatory functions. Effective January 1, 2017, the fee was $3.05 per 1,000 gallons of water pumped from each well. Effective January 1, 2018, the fee increased to $3.35 per 1,000 gallons of water pumped from each well. The District recorded an expenditure of $260,922 for fees assessed during the current fiscal year.

The District purchases surface water from the Authority through the surface water interconnect. Effective January 1, 2017, the fee for surface water was $3.70 per 1,000 gallons of water received. Effective January 1, 2018, the fee for surface water increased to $3.40 per 1,000 gallons of water received. The District recorded an expenditure of $558,867 for surface water received during the current fiscal year.

Prior to receiving water from the Authority, each district was required to construct a new disinfection system at their water facilities. The District constructed these facilities in a prior year for a cost of $473,331 and received a reimbursement from the Authority of $435,492.

NOTE 10. RISK ASSESSMENT

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

NOTE 11. INTERFUND BALANCES

The Debt Service Fund (Tax Account) owes the General Fund $2,182 for maintenance tax collections. This is a timing difference. The General Fund owes the Debt Service Fund $5,638 for arbitrage rebate calculations and bond issuance costs.

NOTE 12. REFUNDING BOND SALE

On December 21, 2017, the District closed on the sale of its Unlimited Tax Refunding Bonds, Series 2017 in the amount of $5,160,000, the proceeds of which were used to refund $3,095,000 of Series 2010 Refunding bonds, and $1,875,000 of Series 2011 bonds. Bond proceeds of $5,064,163 and $12,000 of debt service fund monies were used to refund bonds with maturities of September 1, 2020 through September 1, 2034, and interest rates of 4.000% to 4.875%. The Series 2010 refunded bonds were redeemed on December 21, 2017. The Series 2011 refunded bonds will be redeemed on September 1, 2018. The refunding resulted in a gross debt service savings of $333,462 and a net present value savings of $252,008.

NORTH MISSION GLEN MUNICIPAL UTILITY DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

AUGUST 31, 2018

NORTH MISSION GLEN MUNICIPAL UTILITY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2018

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
REVENUES				
Property Taxes	$ 275,000	$ 410,000	$ 410,315	$ 315
Water Service	697,032	668,021	690,154	22,133
Wastewater Service	931,603	929,265	931,759	2,494
Regional Water Authority Fees	867,083	913,455	893,661	(19,794)
Transfer and Reconnection Fees	20,400	15,500	31,004	15,504
Penalty and Interest	58,767	49,258	53,235	3,977
Tap Connection and Inspection Fees	250	60,850	58,800	(2,050)
Investment Revenues	12,000	37,769	53,722	15,953
Miscellaneous Revenues	60,480	53,258	40,357	(12,901)
TOTAL REVENUES	$ 2,922,615	$ 3,137,376	$ 3,163,007	$ 25,631
EXPENDITURES				
Services Operations:				
Professional Fees	$ 205,000	$ 229,000	$ 106,913	$ 122,087
Contracted Services	1,159,750	1,254,983	1,257,148	(2,165)
Purchased Water Service	866,755	824,856	558,867	265,989
Utilities	134,646	149,339	147,176	2,163
Regional Water Authority Assessments			260,922	(260,922)
Repairs and Maintenance	105,000	87,100	46,568	40,532
Other	79,418	108,459	99,831	8,628
Capital Outlay	150,000	300,000	188,995	111,005
TOTAL EXPENDITURES	$ 2,700,569	$ 2,953,737	$ 2,666,420	$ 287,317
NET CHANGE IN FUND BALANCE	$ 222,046	$ 183,639	$ 496,587	$ 312,948
FUND BALANCE - SEPTEMBER 1, 2017	5,041,341	5,041,341	5,041,341	
FUND BALANCE - AUGUST 31, 2018	$ 5,263,387	$ 5,224,980	$ 5,537,928	$ 312,948

See accompanying independent auditor's report.

THIS PAGE INTENTIONALLY LEFT BLANK

NORTH MISSION GLEN MUNICIPAL UTILITY DISTRICT

SUPPLEMENTARY INFORMATION REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

AUGUST 31, 2018

NORTH MISSION GLEN MUNICIPAL UTILITY DISTRICT
SERVICES AND RATES
FOR THE YEAR ENDED AUGUST 31, 2018

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

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

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

_______ Other (specify): ____________________

2. RETAIL SERVICE PROVIDERS

a. RETAIL RATES FOR A 3/4" METER (OR EQUIVALENT):

Based on the rate order approved June 14, 2016.

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons over Minimum Use	Usage Levels
WATER:	$ 18.00	8,000	N	$ 1.50	8,001 to 15,000
				$ 1.75	15,001 to 20,000
				$ 2.00	20,001 and up
WASTEWATER:	$ 27.00		Y		
SURCHARGE: Regional Water Authority Fees			N	$ 4.07	All

District employs winter averaging for wastewater usage?

Yes	No
	X

Total monthly charges per 10,000 gallons usage: Water: $21.00 Wastewater: $27.00 Surcharge: $40.70 Total: $88.70

See accompanying independent auditor's report.

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
Unmetered			x 1.0	
≤¾"	2,896	2,856	x 1.0	2,856
1"	16	16	x 2.5	40
1½"	1	1	x 5.0	5
2"	15	15	x 8.0	120
3"	2	2	x 15.0	30
4"			x 25.0	
6"			x 50.0	
8"			x 80.0	
10"			x 115.0	
Total Water Connections	2,930	2,890		3,051
Total Wastewater Connections	2,908	2,870	x 1.0	2,870

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

Gallons pumped into system:	77,714,000	Water Accountability Ratio = 95.2% (Gallons billed and sold/Gallons pumped and purchased)
Gallons purchased:	161,207,000	From: North Fort Bend Water Authority
Gallons billed to customers:	227,454,000	

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

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

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

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes _____ No __X__

County or Counties in which District is located:

Fort Bend County, Texas, and approximately 3.7 acres in Harris County, Texas

Is the District located within a city?

Entirely _____ Partly _______ Not at all __X__

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

Entirely __X__ Partly _______ Not at all _____

ETJ's in which District is located:

City of Houston, Texas

Are Board Members appointed by an office outside the District?

Yes _____ No __X__

NORTH MISSION GLEN MUNICIPAL UTILITY DISTRICT
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED AUGUST 31, 2018

PROFESSIONAL FEES:		
Auditing	$	17,850
Engineering		30,466
Legal		58,597
TOTAL PROFESSIONAL FEES	$	106,913
PURCHASED SERVICES FOR RESALE:		
Purchased Water Service	$	558,867
CONTRACTED SERVICES:		
Bookkeeping	$	17,775
Operations and Billing		787,509
TOTAL CONTRACTED SERVICES	$	805,284
UTILITIES:		
Electricity	$	138,896
Telephone		8,280
TOTAL UTILITIES	$	147,176
REPAIRS AND MAINTENANCE	$	46,568
ADMINISTRATIVE EXPENDITURES:		
Director Fees	$	13,950
Dues		2,625
Insurance		19,605
Office Supplies and Postage		3,813
Payroll Taxes		1,257
Travel and Meetings		4,717
Other		8,116
TOTAL ADMINISTRATIVE EXPENDITURES	$	54,083

See accompanying independent auditor's report.

NORTH MISSION GLEN MUNICIPAL UTILITY DISTRICT
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED AUGUST 31, 2018

CAPITAL OUTLAY:	
Capitalized Assets	$ 188,995
Expenditures Not Capitalized	
TOTAL CAPITAL OUTLAY	$ 188,995
TAP CONNECTIONS	$ 28,385
SOLID WASTE DISPOSAL	$ 451,864
OTHER EXPENDITURES:	
Permit Fees	$ 7,393
Inspection Fees	2,055
Regional Water Authority Assessments	260,922
Regulatory Assessment	7,915
TOTAL OTHER EXPENDITURES	$ 278,285
TOTAL EXPENDITURES	$ 2,666,420

See accompanying independent auditor's report.

NORTH MISSION GLEN MUNICIPAL UTILITY DISTRICT
INVESTMENTS
AUGUST 31, 2018

Fund	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
GENERAL FUND					
TexPool	XXXX0001	1.9641%	Daily	$ 845,974	$
Certificate of Deposit	XXXX4764	1.1000%	09/06/18	248,460	157
Certificate of Deposit	XXXX0553	1.3500%	09/11/18	225,000	2,946
Certificate of Deposit	XXXX0785	2.2000%	07/15/19	1,500,000	4,197
Certificate of Deposit	XXXX3339	2.2700%	10/11/18	253,521	315
Certificate of Deposit	XXXX8499	2.2700%	10/19/18	1,030,496	2,598
TOTAL GENERAL FUND				$ 4,103,451	$ 10,213
DEBT SERVICE FUND					
TexPool	XXXX0002	1.9641%	Daily	$ 372,407	$
Certificate of Deposit	XXXX1614	0.2500%	03/30/19	225,000	237
Certificate of Deposit	XXXX6786	1.1000%	09/06/18	248,635	157
Certificate of Deposit	XXXX3313	2.2700%	11/17/18	508,933	443
TOTAL DEBT SERVICE FUND				$ 1,354,975	$ 837
TOTAL - ALL FUNDS				$ 5,458,426	$ 11,050

See accompanying independent auditor's report.

NORTH MISSION GLEN MUNICIPAL UTILITY DISTRICT
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED AUGUST 31, 2018

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE - SEPTEMBER 1, 2017	$ 4,099		$ 32,560	
Adjustments to Beginning Balance	(214)	$ 3,885	(1,985)	$ 30,575
Original 2017 Tax Levy	$ 407,716		$ 1,947,979	
Adjustment to 2017 Tax Levy	5,685	413,401	27,159	1,975,138
TOTAL TO BE ACCOUNTED FOR		$ 417,286		$ 2,005,713
TAX COLLECTIONS:				
Prior Years	$ 2,067		$ 15,785	
Current Year	408,248	410,315	1,950,520	1,966,305
TAXES RECEIVABLE - AUGUST 31, 2018		$ 6,971		$ 39,408
TAXES RECEIVABLE BY YEAR:				
2017		$ 5,153		$ 24,618
2016		988		7,576
2015		440		3,591
2014		157		1,413
2013		102		949
2012		93		894
2011		33		314
2010				3
2009		5		44
2008				3
2007				3
TOTAL		$ 6,971		$ 39,408

See accompanying independent auditor's report.

NORTH MISSION GLEN MUNICIPAL UTILITY DISTRICT
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED AUGUST 31, 2018

	2017	2016	2015	2014
PROPERTY VALUATIONS:				
Land	$ 77,883,221	$ 77,944,712	$ 77,747,434	$ 77,402,799
Improvements	396,069,149	380,399,649	327,549,721	287,447,876
Personal Property	1,351,477	3,049,293	2,689,180	2,703,023
Exemptions	(15,969,397)	(26,893,434)	(13,161,068)	(12,456,274)
TOTAL PROPERTY VALUATIONS	$ 459,334,450	$ 434,500,220	$ 394,825,267	$ 355,097,424
TAX RATES PER $100 VALUATION:				
Debt Service	$ 0.4300	$ 0.4600	$ 0.4900	$ 0.5400
Maintenance**	0.0900	0.0600	0.0600	0.0600
TOTAL TAX RATES PER $100 VALUATION	$ 0.5200	$ 0.5200	$ 0.5500	$ 0.6000
ADJUSTED TAX LEVY*	$ 2,388,539	$ 2,259,401	$ 2,171,555	$ 2,130,603
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	98.75 %	99.62 %	99.81 %	99.93 %

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

** Maintenance Tax – Maximum tax rate of $0.25 per $100 assessed valuation was approved by voters on April 4, 1981.

See accompanying independent auditor's report.

NORTH MISSION GLEN MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
AUGUST 31, 2018

	REFUNDING SERIES-2010		
Due During Fiscal Years Ending August 31	Principal Due September 1	Interest Due September 1/ March 1	Total
2019	$ 335,000	$ 21,100	$ 356,100
2020	360,000	7,200	367,200
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
	$ 695,000	$ 28,300	$ 723,300

See accompanying independent auditor's report.

NORTH MISSION GLEN MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
AUGUST 31, 2018

	S E R I E S - 2 0 1 1		
Due During Fiscal Years Ending August 31	Principal Due September 1	Interest Due September 1/ March 1	Total
2019	$ 25,000	$ 2,500	$ 27,500
2020	25,000	1,500	26,500
2021	25,000	500	25,500
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
	$ 75,000	$ 4,500	$ 79,500

See accompanying independent auditor's report.

NORTH MISSION GLEN MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
AUGUST 31, 2018

	REFUNDING SERIES-2012		
Due During Fiscal Years Ending August 31	Principal Due September 1	Interest Due September 1/ March 1	Total
2019	$ 170,000	$ 357,600	$ 527,600
2020	170,000	350,800	520,800
2021	170,000	344,000	514,000
2022	255,000	335,500	590,500
2023	250,000	325,400	575,400
2024	260,000	315,200	575,200
2025	260,000	304,800	564,800
2026	270,000	294,200	564,200
2027	265,000	283,500	548,500
2028	1,035,000	257,500	1,292,500
2029	1,080,000	215,200	1,295,200
2030	1,130,000	171,000	1,301,000
2031	1,180,000	124,800	1,304,800
2032	1,235,000	76,500	1,311,500
2033	1,295,000	25,900	1,320,900
2034			
2035			
	$ 9,025,000	$ 3,781,900	$ 12,806,900

See accompanying independent auditor's report.

NORTH MISSION GLEN MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
AUGUST 31, 2018

	REFUNDING SERIES-2013		
Due During Fiscal Years Ending August 31	Principal Due September 1	Interest Due September 1/ March 1	Total
2019	$ 535,000	$ 297,725	$ 832,725
2020	550,000	281,450	831,450
2021	550,000	264,950	814,950
2022	500,000	247,325	747,325
2023	525,000	228,106	753,106
2024	535,000	208,231	743,231
2025	570,000	186,800	756,800
2026	595,000	163,500	758,500
2027	620,000	139,200	759,200
2028	475,000	117,300	592,300
2029	500,000	97,800	597,800
2030	520,000	77,400	597,400
2031	540,000	56,200	596,200
2032	560,000	34,200	594,200
2033	575,000	11,500	586,500
2034			
2035			
	$ 8,150,000	$ 2,411,687	$ 10,561,687

See accompanying independent auditor's report.

NORTH MISSION GLEN MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
AUGUST 31, 2018

	REFUNDING SERIES-2017		
Due During Fiscal Years Ending August 31	Principal Due September 1	Interest Due September 1/ March 1	Total
2019	$ 75,000	$ 152,963	$ 227,963
2020	40,000	151,812	191,812
2021	425,000	147,163	572,163
2022	460,000	138,312	598,312
2023	495,000	128,763	623,763
2024	505,000	118,762	623,762
2025	515,000	103,413	618,413
2026	540,000	85,012	625,012
2027	560,000	68,513	628,513
2028	45,000	59,494	104,494
2029	45,000	58,256	103,256
2030	45,000	57,019	102,019
2031	45,000	55,500	100,500
2032	45,000	53,700	98,700
2033	45,000	51,900	96,900
2034	615,000	38,700	653,700
2035	660,000	13,200	673,200
	$ 5,160,000	$ 1,482,482	$ 6,642,482

See accompanying independent auditor's report.

NORTH MISSION GLEN MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
AUGUST 31, 2018

	ANNUAL REQUIREMENTS FOR ALL SERIES		
Due During Fiscal Years Ending August 31	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2019	$ 1,140,000	$ 831,888	$ 1,971,888
2020	1,145,000	792,762	1,937,762
2021	1,170,000	756,613	1,926,613
2022	1,215,000	721,137	1,936,137
2023	1,270,000	682,269	1,952,269
2024	1,300,000	642,193	1,942,193
2025	1,345,000	595,013	1,940,013
2026	1,405,000	542,712	1,947,712
2027	1,445,000	491,213	1,936,213
2028	1,555,000	434,294	1,989,294
2029	1,625,000	371,256	1,996,256
2030	1,695,000	305,419	2,000,419
2031	1,765,000	236,500	2,001,500
2032	1,840,000	164,400	2,004,400
2033	1,915,000	89,300	2,004,300
2034	615,000	38,700	653,700
2035	660,000	13,200	673,200
	$ 23,105,000	$ 7,708,869	$ 30,813,869

See accompanying independent auditor's report.

THIS PAGE INTENTIONALLY LEFT BLANK

NORTH MISSION GLEN MUNICIPAL UTILITY DISTRICT
CHANGE IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED AUGUST 31, 2018

Description	Original Bonds Issued	Bonds Outstanding September 1, 2017
North Mission Glen Municipal Utility District Unlimited Tax Refunding Bonds - Series 2005A	$ 6,240,000	$ 700,000
North Mission Glen Municipal Utility District Unlimited Tax Refunding Bonds - Series 2010	5,735,000	3,810,000
North Mission Glen Municipal Utility District Unlimited Tax Bonds - Series 2011	2,080,000	1,975,000
North Mission Glen Municipal Utility District Unlimited Tax Refunding Bonds - Series 2012	9,495,000	9,195,000
North Mission Glen Municipal Utility District Unlimited Tax Refunding Bonds - Series 2013	8,880,000	8,260,000
North Mission Glen Municipal Utility District Unlimited Tax Refunding Bonds - Series 2017	5,160,000	
TOTAL	$ 37,590,000	$ 23,940,000

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

Bond Authority:	Tax Bonds		Refunding Bonds
Amount Authorized by Voters	$ 55,715,000	*	$ 11,420,000
Amount Issued	33,295,000		7,715,000
Remaining to be Issued	$ 22,420,000		$ 3,705,000

See accompanying independent auditor's report.

Current Year Transactions					
	Retirements				
Bonds Sold	Principal	Interest	Bonds Outstanding August 31, 2018	Paying Agent
$	$ 700,000	$ 14,000	$ - 0 -	The Bank of New York Mellon Trust Company, N.A. Dallas, Texas
	3,115,000	90,050	695,000	The Bank of New York Mellon Trust Company, N.A. Dallas, Texas
	1,900,000	47,047	75,000	Wells Fargo Bank Texas, N.A. Dallas, Texas
	170,000	364,400	9,025,000	The Bank of New York Mellon Trust Company, N.A. Dallas, Texas
	110,000	306,850	8,150,000	The Bank of New York Mellon Trust Company, N.A. Dallas, Texas
5,160,000		29,888	5,160,000	The Bank of New York Mellon Trust Company, N.A. Dallas, Texas
$ 5,160,000	$ 5,995,000	$ 852,235	$ 23,105,000	

* Construction only - $12,420,000; Construction or Refunding - $43,295,000

Debt Service Fund cash, investments and cash with paying agent balances as of August 31, 2018:	$ 3,591,731
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 1,812,581

See accompanying independent auditor's report.

NORTH MISSION GLEN MUNICIPAL UTILITY DISTRICT
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - FIVE YEARS

	Amounts		
	2018	2017	2016
REVENUES			
Property Taxes	$ 410,315	$ 259,229	$ 236,651
Water Service	690,154	687,772	699,797
Wastewater Service	931,759	928,522	930,664
Regional Water Authority Fees	893,661	823,828	769,096
Transfer and Reconnection Fees	31,004	27,476	29,904
Penalty and Interest	53,235	58,526	60,456
Tap Connection and Inspection Fees	58,800	5,575	3,275
Investment Revenues	53,722	25,186	14,676
Miscellaneous Revenues	40,357	46,628	43,094
TOTAL REVENUES	$ 3,163,007	$ 2,862,742	$ 2,787,613
EXPENDITURES			
Service Operations:			
Professional Fees	$ 106,913	$ 242,769	$ 97,658
Contracted Services	1,257,148	1,215,239	1,200,159
Purchased Water Service	558,867	670,846	659,912
Utilities	147,176	116,252	111,054
Regional Water Authority Assessments	260,922	117,296	18,205
Repairs and Maintenance	46,568	59,506	105,145
Other	99,831	80,409	74,709
Capital Outlay	188,995	34,338	454,287
TOTAL EXPENDITURES	$ 2,666,420	$ 2,536,655	$ 2,721,129
NET CHANGE IN FUND BALANCE	$ 496,587	$ 326,087	$ 66,484
BEGINNING FUND BALANCE	5,041,341	4,715,254	4,648,770
ENDING FUND BALANCE	$ 5,537,928	$ 5,041,341	$ 4,715,254

See accompanying independent auditor’s report.

2015	2014		Percentage of Total Revenues 2018	2017	2016	2015	2014
$ 213,098	$ 201,799		13.0 %	9.1 %	8.5 %	7.7 %	7.7 %
690,142	693,639		21.8	24.0	25.1	24.9	26.5
937,150	928,954		29.4	32.4	33.4	33.9	35.5
684,886	618,043		28.2	28.8	27.6	24.7	23.7
33,902	29,091		1.0	1.0	1.1	1.2	1.1
63,500	71,269		1.7	2.0	2.2	2.3	2.7
7,075	4,200		1.9	0.2	0.1	0.3	0.2
12,836	10,839		1.7	0.9	0.5	0.5	0.4
125,527	57,450		1.3	1.6	1.5	4.5	2.2
$ 2,768,116	$ 2,615,284		100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
$ 108,425	$ 53,074		3.4 %	8.5 %	3.5 %	3.9 %	2.0 %
1,184,234	1,197,074		39.6	42.4	43.1	42.8	45.8
610,014	588,567		17.7	23.4	23.7	22.0	22.5
133,318	134,990		4.7	4.1	4.0	4.8	5.2
29,962	9,793		8.2	4.1	0.6	1.1	0.4
68,384	95,441		1.5	2.1	3.8	2.5	3.6
73,119	68,619		3.2	2.8	2.7	2.7	2.6
903,332	165,638		6.0	1.2	16.3	32.6	6.3
$ 3,110,788	$ 2,313,196		84.3 %	88.6 %	97.7 %	112.4 %	88.4 %
$ (342,672)	$ 302,088		15.7 %	11.4 %	2.3 %	(12.4) %	11.6 %
4,991,442	4,689,354						
$ 4,648,770	$ 4,991,442						

See accompanying independent auditor's report.

NORTH MISSION GLEN MUNICIPAL UTILITY DISTRICT
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND - FIVE YEARS

	Amounts		
	2018	2017	2016
REVENUES			
Property Taxes	$ 1,966,305	$ 1,988,263	$ 1,934,391
Penalty and Interest	26,794	19,991	20,115
Investment Revenues	32,376	16,436	10,213
Miscellaneous Revenues			
TOTAL REVENUES	$ 2,025,475	$ 2,024,690	$ 1,964,719
EXPENDITURES			
Tax Collection Expenditures	$ 90,436	$ 79,579	$ 76,522
Debt Service Principal	1,025,000	990,000	960,000
Debt Service Interest and Fees	855,785	967,856	1,000,306
Bond Issuance Costs	278,258		
Payment to Refunded Bond Escrow Agent	12,000		
TOTAL EXPENDITURES	$ 2,261,479	$ 2,037,435	$ 2,036,828
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ (236,004)	$ (12,745)	$ (72,109)
OTHER FINANCING SOURCES (USES)			
Refunding Bonds	$ 5,160,000	$	$
Payment to Refunded Bond Escrow Agent	(5,064,163)		
Bond Discount	(6,018)		
Bond Premium	194,077		
TOTAL OTHER FINANCING SOURCES (USES)	$ 283,896	$ - 0 -	$ - 0 -
NET CHANGE IN FUND BALANCE	$ 47,892	$ (12,745)	$ (72,109)
BEGINNING FUND BALANCE	3,540,039	3,552,784	3,624,893
ENDING FUND BALANCE	$ 3,587,931	$ 3,540,039	$ 3,552,784
TOTAL ACTIVE RETAIL WATER CONNECTIONS	2,890	2,878	2,884
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	2,870	2,862	2,868

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2015	2014	2018	2017	2016	2015	2014
$ 1,918,537	$ 1,883,635	97.1 %	98.2 %	98.5 %	97.2 %	98.7 %
20,680	18,419	1.3	1.0	1.0	1.0	1.0
4,855	5,617	1.6	0.8	0.5	0.3	0.3
29,333					1.5	
$ 1,973,405	$ 1,907,671	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
$ 73,850	$ 64,837	4.5 %	3.9 %	3.9 %	3.7 %	3.4 %
930,000	1,040,000	50.6	48.9	48.9	47.1	54.5
1,027,563	1,076,351	42.3	47.8	50.9	52.1	56.4
		13.7				
		0.6				
$ 2,031,413	$ 2,181,188	111.7 %	100.6 %	103.7 %	102.9 %	114.3 %
$ (58,008)	$ (273,517)	(11.7) %	(0.6) %	(3.7) %	(2.9) %	(14.3) %
$	$					
$ - 0 -	$ - 0 -					
$ (58,008)	$ (273,517)					
3,682,901	3,956,418					
$ 3,624,893	$ 3,682,901					
2,877	2,888					
2,861	2,871					

See accompanying independent auditor’s report.

NORTH MISSION GLEN MUNICIPAL UTILITY DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
AUGUST 31, 2018

District Mailing Address - North Mission Glen Municipal Utility District
c/o Coats Rose, P.C.
9 Greenway Plaza, Suite 1000
Houston, TX 77046-0307

District Telephone Number - (713) 651-0111

Board Members:	Term of Office (Elected or Appointed)	Fees of Office for the year ended August 31, 2018	Expense Reimbursements for the year ended August 31, 2018	Title
J. Keith Parker	05/16 05/20 (Elected)	$ 4,800	$ 138	President
Ronald Anderson	05/18 05/22 (Elected)	$ 2,400	$ 309	Vice President
Charles A. Cook	05/16 05/20 (Elected)	$ 2,700	$ 1,411	Assistant Vice President/ Assistant Secretary
Breah Campbell	05/18 05/22 (Elected)	$ 4,050	$ 1,794	Secretary/ Treasurer/ Investment Officer
Yolanda Roberts	05/18 05/22 (Elected)	$ 2,100	$ 1,065	Assistant Secretary

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

Submission date of most recent District Registration Form (TWC Sections 36.054 and 49.054): June 8, 2018.

The limit on Fees of Office that a Director may receive during a fiscal year is $7,200 as set by Board Resolution (TWC Section 49.060) on July 8, 2003. Fees of Office are the amounts paid to a Director during the District's current fiscal year.

See accompanying independent auditor's report.

NORTH MISSION GLEN MUNICIPAL UTILITY DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
AUGUST 31, 2018

Consultants:	Date Hired	Fees for the year ended August 31, 2018	Title
Coats Rose, P.C.	02/18/81	$ 74,635 $106,515	General Counsel Bond Counsel
McCall Gibson Swedlund Barfoot PLLC	08/09/88	$ 18,750	Auditor
VLB Bookkeeping Services	01/13/09	$ 20,424	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	02/20/97	$ 8,742	Delinquent Tax Attorney
Pape – Dawson Engineers	07/10/18	$ 253	Engineer
AECOM Technical Services Inc.	1984	$217,032	Prior Engineer
Rathmann & Associates, L.P.	05/13/03	$ 66,000	Financial Advisor
Si Environmental, LLC	05/25/12	$854,917	Operator
Assessments of the Southwest, Inc.	10/01/01	$ 45,342	Tax Assessor/ Collector

See accompanying independent auditor's report.

APPENDIX C

SPECIMEN OF MUNICIPAL BOND INSURANCE POLICY

BAM

MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER] Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: $__________ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on]

Effective Date: _________

Risk Premium: $__________
Member Surplus Contribution: $ _________
Total Insurance Payment: $_________

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: ____

Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
1 World Financial Center, 27th floor
200 Liberty Street
New York, New York 10281
Telecopy:
212-962-1524 (attention: Claims)