OFFICIAL STATEMENT DATED MAY 11, 2020

IN THE OPINION OF BOND COUNSEL, UNDER EXISTING LAW, INTEREST ON THE BONDS IS EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES AND INTEREST ON THE BONDS IS NOT SUBJECT TO THE ALTERNATIVE MINIMUM TAX ON INDIVIDUALS. SEE "TAX MATTERS" FOR A DISCUSSION OF THE OPINION OF BOND COUNSEL.

The Bonds are not "qualified tax-exempt obligations" for financial institutions.

NEW ISSUE – Book Entry Only

S&P Global Ratings (BAM Insured)............................"AA"
Moody's Investors Service, Inc. (Underlying).........."A2"

WEST RANCH MANAGEMENT DISTRICT
(A political subdivision of the State of Texas, located within Galveston County and Harris County)

$9,040,000
Unlimited Tax Refunding Bonds
Series 2020

$1,550,000
Unlimited Tax Road Refunding Bonds
Series 2020

Interest accrues from: June 1, 2020

Due: September 1, as shown on inside cover

Interest on the West Ranch Management District Unlimited Tax Refunding Bonds, Series 2020 (the "Series 2020 System Refunding Bonds") and the West Ranch Management District Unlimited Tax Road Refunding Bonds, Series 2020 (the "Series 2020 Road Refunding Bonds," and collectively the "Bonds") will accrue from June 1, 2020, and be payable on September 1, 2020, and on each March 1 and September 1 (each an "Interest Payment Date") thereafter until the earlier of maturity or redemption, and will be calculated on the basis of a 360-day year composed of twelve 30-day months. Interest on the Bonds will be payable to registered owners ("Registered Owners") as shown on the records of the Paying Agent/Registrar (as defined below) at the close of business on the 15th calendar day of the month next preceding each interest payment date (the "Record Date"). The Bonds will be issued in fully registered form only, without coupons, in principal denominations of $5,000 or any integral multiple thereof, and when issued, will be registered in the name of Cede & Co., as registered owner and nominee for the Depository Trust Company, New York, New York ("DTC"), acting as securities depository for the Bonds until DTC resigns or is discharged. The Bonds initially will be available to purchasers in book-entry form only. So long as Cede & Co., as the nominee of DTC, is the registered owner of the Bonds, principal of and interest on the Bonds will be payable by the Paying Agent/Registrar to DTC, which will be solely responsible for making such payment to the beneficial owners of the Bonds. The initial paying agent for the Bonds is Regions Bank, Houston, Texas, an Alabama banking corporation (the "Paying Agent/Registrar").

The Bonds are obligations solely of West Ranch Management District (the "District") and are not obligations of Galveston County, Texas; Harris County, Texas; the City of Friendswood, Texas; the State of Texas; or any entity other than the District.

See "MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND INITIAL REOFFERING YIELDS" on inside cover.

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 concurrently with the delivery of the Bonds by **BUILD AMERICA MUTUAL ASSURANCE COMPANY**.

The voters in the District have authorized issuance of $17,850,000 principal amount of unlimited tax in refunding bonds in excess of the par amount of the refunded bonds. After sale of the Bonds, a total of $17,255,000 in refunding bonds will remain authorized but unissued. The Bonds, when issued, will constitute valid and binding obligations of the District, payable from the proceeds of two separate continuing direct annual ad valorem taxes, each without legal limitation as to rate or amount, levied against all taxable property within the District. See "THE BONDS – Source of Payment."

The Bonds are offered subject to prior sale, when, as and if issued by the District and accepted by SAMCO Capital Markets, Inc. (the "Underwriter"), subject to the approval of the Attorney General of Texas and of Allen Boone Humphries Robinson LLP, Bond Counsel. Certain legal matters will be passed upon for the Underwriter by McCall, Parkhurst & Horton L.L.P., Houston, Texas, Underwriter's Counsel. Delivery of the Bonds is expected on or about June 9, 2020.

SAMCO CAPITAL

PRINCIPAL AMOUNTS, MATURITIES, INTEREST RATES AND INITIAL REOFFERING YIELDS

$9,040,000 Unlimited Tax Refunding Bonds, Series 2020

$3,835,000 Serial Bonds

Maturity September 1	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 955496 (b)	Maturity September 1	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 955496 (b)
2021	$ 65,000	4.000%	1.450%	HR8	2027 (c)	$ 465,000	2.000%	2.060%	HX5
2022	240,000	4.000%	1.500%	HS6	2028 (c)	480,000	2.000%	2.110%	HY3
2023	250,000	4.000%	1.540%	HT4	2029 (c)	495,000	2.000%	2.170%	HZ0
2024	265,000	4.000%	1.640%	HU1	2030 (c)	500,000	2.000%	2.290%	JA3
2025	275,000	4.000%	1.710%	HV9	2031 (c)	515,000	2.000%	2.390%	JB1
2026 (c)	285,000	3.000%	1.830%	HW7					

$5,205,000 Term Bonds

$1,055,000 Term Bond due September 1, 2033 (c)(d) Interest Rate: 2.250% (Price: $96.210) (a) CUSIP No. 955496 JD7 (b)

$1,115,000 Term Bond due September 1, 2035 (c)(d) Interest Rate: 2.500% (Price: $97.759) (a) CUSIP No. 955496 JF2 (b)

$1,165,000 Term Bond due September 1, 2037 (c)(d) Interest Rate: 2.500% (Price: $96.318) (a) CUSIP No. 955496 JH8 (b)

$1,870,000 Term Bond due September 1, 2040 (c)(d) Interest Rate: 2.750% (Price: $97.864) (a) CUSIP No. 955496 JL9 (b)

$1,550,000 Unlimited Tax Road Refunding Bonds, Series 2020

$230,000 Serial Bonds

Maturity September 1	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 955496 (b)	Maturity September 1	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 955496 (b)
2021	$ 15,000	4.000%	1.500%	JM7	2024	65,000	4.000%	1.690%	JQ8
2022	15,000	4.000%	1.550%	JN5	2025	70,000	4.000%	1.760%	JR6
2023	65,000	4.000%	1.590%	JP0					

$1,320,000 Term Bonds

$145,000 Term Bond due September 1, 2027 (c)(d) Interest Rate: 2.000% (Price: $99.597) (a) CUSIP No. 955496 JT2 (b)

$155,000 Term Bond due September 1, 2029 (c)(d) Interest Rate: 2.000% (Price: $98.583) (a) CUSIP No. 955496 JV7 (b)

$165,000 Term Bond due September 1, 2031 (c)(d) Interest Rate: 2.250% (Price: $98.626) (a) CUSIP No. 955496 JX3 (b)

$260,000 Term Bond due September 1, 2034 (c)(d) Interest Rate: 2.250% (Price: $95.512) (a) CUSIP No. 955496 KA1 (b)

$280,000 Term Bond due September 1, 2037 (c)(d) Interest Rate: 2.500% (Price: $96.318) (a) CUSIP No. 955496 KD5 (b)

$315,000 Term Bond due September 1, 2040 (c)(d) Interest Rate: 2.750% (Price: $97.864) (a) CUSIP No. 955496 KG8 (b)

(a) Information with respect to the initial reoffering yields of the Bonds is the responsibility of the Underwriter. Initial reoffering yields represent the initial offering price, which may be changed for subsequent purchasers. The initial yield indicated above represents the lower of the yields resulting when priced to maturity or to the first call date.

(b) CUSIP numbers have been assigned to this issue by the CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of the American Bankers Association. None of the District, the Financial Advisor (as defined herein) or the Underwriter shall be responsible for the selection or the correctness of the CUSIP numbers shown herein.

(c) Bonds maturing on September 1, 2026, and thereafter, shall be subject to redemption and payment at the option of the District, in whole or from time to time in part on September 1, 2025, or on any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. In addition, the Underwriter may designate one or more maturities as term bonds. See "THE BONDS – Redemption Provisions – *Optional Redemption*."

(d) Subject to mandatory redemption as provided under "THE BONDS – Redemption Provisions – *Mandatory Redemption*."

USE OF INFORMATION IN OFFICIAL STATEMENT

No dealer, broker, salesman or other person has been authorized 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 Underwriter.

This Official Statement does not alone constitute, and is not authorized by the District for use in connection with, an offer to sell or the solicitation of any 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, audited financial statements, 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 Bond Counsel upon payment of duplication costs, for further information.

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.

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 "MUNICIPAL BOND INSURANCE" and "APPENDIX B - Specimen Municipal Bond Insurance Policy".

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 affairs of the District or other matters described herein since the date hereof. 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 such information actually comes to its attention, the other matters described in this Official Statement, until delivery of the Bonds to the Underwriter and thereafter only as specified in "OFFICIAL STATEMENT - Updating of Official Statement."

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this final official statement for any purpose.

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APPENDIX A - INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS OF THE DISTRICT

APPENDIX B - SPECIMEN MUNICIPAL BOND INSURANCE POLICY

SALE AND DISTRIBUTION OF THE BONDS

Underwriting

SAMCO Capital Markets, Inc. (referred to herein as the "Underwriter") has agreed to purchase the Series 2020 System Refunding Bonds from the District for $8,887,332.64 (being the par amount of the Series 2020 System Refunding Bonds, less a net original issue discount on the Series 2020 System Refunding Bonds of $85,800.20, and less an underwriter's discount on the Series 2020 System Refunding Bonds of $66,867.16), plus accrued interest on the Series 2020 System Refunding Bonds to the date of delivery. The Underwriter's obligation is to purchase all of the Series 2020 System Refunding Bonds, if any Series 2020 System Refunding Bonds are purchased.

The Underwriter has agreed to purchase the Series 2020 Road Refunding Bonds from the District for $1,517,462.50 (being the par amount of the Series 2020 Road Refunding Bonds, less a net original issue discount on the Series 2020 Road Refunding Bonds of $13,694.10, and less an underwriter's discount on the Series 2020 Road Refunding Bonds of $18,843.40), plus accrued interest on the Series 2020 Road Refunding Bonds to the date of delivery. The Underwriter's obligation is to purchase all of the Series 2020 Road Refunding Bonds, if any Series 2020 Road Refunding Bonds are purchased.

Prices and Marketability

The prices and other terms with respect to the offering and sale of the Bonds may be changed from time-to-time by the Underwriter after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell the Bonds into investment accounts. In connection with the offering of the Bonds, the Underwriter may over-allot or effect transactions which stabilize or maintain the market prices of the Bonds at levels above those which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The District has no control over trading of the Bonds in the secondary market. Moreover, there is no assurance that a secondary market will be made in the Bonds. If there is a secondary market, 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.

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 acts of any other jurisdictions. 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 should not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions in such other jurisdiction.

MUNICIPAL BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") 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 appendix 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 March 31, 2020 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $459.6 million, $126.1 million and $333.5 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 this heading "MUNICIPAL BOND INSURANCE."

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 Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter 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.

RATINGS

The Bonds are expected to receive an insured rating of "AA" from S&P solely in reliance upon the issuance of the municipal bond insurance policy by BAM at the time of delivery of the Bonds. An explanation of the ratings of S&P may only be obtained from S&P. S&P 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 S&P reflect its analysis of the overall level of credit risk involved in financings. At present, S&P assigns long-term debt ratings with symbols "AAA" (the highest rating) through "D" (the lowest rating). The ratings express only the view of S&P 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 such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by S&P, if in its judgment, circumstances so warrant.

Moody's Investor Services, Inc. ("Moody's") has assigned an underlying credit rating of "A2" to the Bonds. An explanation of the ratings may be obtained from Moody's, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007. A security rating is not a recommendation to buy, sell, or hold securities. Furthermore, there is no assurance that such ratings will continue for any given period of time or that the ratings will not be revised downward or withdrawn entirely by Moody's, if, in its judgment, circumstances so warrant. Any such revisions or withdrawal of the 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 S&P and Moody's.

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OFFICIAL STATEMENT SUMMARY

The following material is qualified in its entirety by the more detailed information and financial statements appearing elsewhere in this Official Statement. The offering of the Bonds to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this summary from this Official Statement or to otherwise use it without the entire Official Statement.

THE BONDS

Description	The West Ranch Management District $9,040,000 Unlimited Tax Refunding Bonds, Series 2020 (the "Series 2020 System Refunding Bonds") and the $1,550,000 Unlimited Tax Road Refunding Bonds, Series 2020 (the "Series 2020 Road Refunding Bonds," and collectively the "Bonds") are dated June 1, 2020, and mature on September 1 in the years and amounts set forth on the inside cover page hereof. Interest accrues from June 1, 2020, at the rates per annum set forth on the inside cover page hereof and is payable September 1, 2020, and each March 1 and September 1 thereafter until maturity or earlier redemption. The Bonds are offered in fully registered form in integral multiples of $5,000 of principal amount for any one maturity. See "THE BONDS – General."
Redemption Provisions	Bonds maturing on and after September 1, 2026, are subject to redemption, in whole or from time to time in part, at the option of West Ranch Management District (the "District") on September 1, 2025, and on any date thereafter at a price of par plus accrued interest from the most recent interest payment date to the date of redemption. See "THE BONDS – Redemption Provisions – *Optional Redemption*." The System Refunding Bonds maturing on September 1, 2021, through September 1, 2031, and the Road Refunding Bonds maturing on September 1, 2021, through September 1, 2025 are serial bonds. The System Refunding Bonds maturing on September 1 in the years 2033, 2035, 2037, and 2040, and the Road Refunding Bonds maturing on September 1 in the years 2027, 2029, 2031, 2034, 2037 and 2040 are term bonds (the "Term Bonds), which have certain mandatory redemption provisions set out herein under "THE BONDS – Redemption Provisions – *Mandatory Redemption*."
Source of Payment	Principal and interest on the Bonds are payable from the proceeds of two separate continuing direct annual ad valorem taxes each levied upon all taxable property within the District without legal limitation as to rate or amount. **The Bonds are obligations solely of West Ranch Management District and are not obligations of the State of Texas; Galveston County, Texas; Harris County, Texas; the City of Friendswood, Texas; or any other political subdivision or entity other than the District.** See "THE BONDS - Source of Payment."
Payment Record	The District has never defaulted on the timely payment of principal and interest on its bonded indebtedness.
Authority for Issuance	The voters in the District have authorized issuance of $17,850,000 principal amount of unlimited tax refunding bonds in excess of the par amount of the refunded bonds. After sale of the Bonds, a total of $17,255,000 in refunding bonds will remain authorized but unissued. The Bonds are issued pursuant to Chapter 1207 of the Texas Government Code; Chapter 8212 of the Texas Special District Local Laws Code; Chapters 49 and 54 of the Texas Water Code; Article XVI, Section 59 of the Texas Constitution in the case of the Series 2020 System Refunding Bonds, Article III, Section 52 of the Texas Constitution in the case of the Series 2020 Road Refunding Bonds; a resolution authorizing the issuance of the Series 2020 System Refunding Bonds and an approval certificate executed on the date of the sale of the Series 2020 System Refunding Bonds establishing the final terms thereof (collectively, the "Series 2020 System Refunding Bond Resolution"); a resolution authorizing the issuance of the Series 2020 Road Refunding Bonds and an approval certificate executed on the date of the sale of the Series 2020 Road Refunding Bonds establishing the final terms thereof (collectively, the "Series 2020 Road Refunding Bond Resolution," and together with the "Series 2020 System Refunding Bond Resolution", the

	"Bond Resolutions"); and an election held in the District on November 8, 2005. See "THE BONDS - Authority for Issuance, and – Issuance of Additional Debt."
Use of Proceeds	The proceeds of the Series 2020 System Refunding Bonds will be applied to pay certain costs incurred in connection with the issuance of the Series 2020 System Refunding Bonds and to refund $5,460,000 principal amount of the District's $6,740,000 Unlimited Tax Bonds, Series 2010 (the "Series 2010 Refunded Bonds"), and $3,110,000 principal amount of the District's $3,110,000 Unlimited Tax Bonds, Series 2012A (the "Series 2012A Refunded Bonds" and collectively, the "Refunded System Bonds"). The refunding of the Refunded System Bonds is expected to result in an annual and net present value savings in the District's current annual debt service requirements. See "PLAN OF FINANCING." The proceeds of the Series 2020 Road Refunding Bonds will be applied to pay certain costs incurred in connection with the issuance of the Series 2020 Road Refunding Bonds and to refund $1,425,000 principal amount of the District's $1,815,000 Unlimited Tax Road Improvement Bonds, Series 2010 (the "Refunded Road Bonds"). The refunding of the Refunded Road Bonds is expected to result in an annual and net present value savings in the District's current annual debt service requirements. The Refunded System Bonds and the Refunded Road Bonds are collectively referred to herein as the "Refunded Bonds." See "PLAN OF FINANCING."
Outstanding Bonds	The District has previously issued six series of unlimited tax bonds or unlimited tax and refunding bonds for the purpose of acquiring or constructing the System and refunding purposes, of which $17,635,000 principal amount remains outstanding as of April 1, 2020. The District has previously issued three series of unlimited tax road bonds for road improvement purposes, of which $4,370,000 principal amount remains outstanding as of April 1, 2020. Exclusive of the Refunded System Bonds, $9,065,000 principal amount of bonds and refunding bonds issued for the System will remain outstanding following the issuance of the Bonds (the "Remaining Outstanding System Bonds"). Exclusive of the Refunded Road Bonds, $2,945,000 principal amount of bonds and refunding bonds issued for road improvements in the District will remain outstanding following the issuance of the Bonds (the "Remaining Outstanding Road Bonds"). The Remaining Outstanding System Bonds and the Remaining Outstanding Road Bonds are collectively referred to herein as the "Remaining Outstanding Bonds." See "THE BONDS – Outstanding Bonds."
Municipal Bond Insurance	Build America Mutual Assurance Company. See "MUNICIPAL BOND INSURANCE."
Ratings	S&P Global Ratings (BAM Insured): "AA." Moody's Investors Service, Inc. (Underlying): "A2." See "RATINGS."
Not Qualified Tax-Exempt Obligations	The Bonds are not "Qualified Tax-Exempt Obligations" for financial institutions.
General & Bond Counsel	Allen Boone Humphries Robinson LLP. See "LEGAL MATTERS."
Underwriter's Counsel	McCall, Parkhurst & Horton L.L.P., Houston Texas.
Financial Advisor	Robert W. Baird & Co. Incorporated, Houston, Texas.
District Engineer	BGE, Inc., Houston, Texas.
Escrow Agent	Regions Bank, Houston, Texas, an Alabama banking corporation, Houston, Texas.

INFECTIOUS DISEASE OUTLOOK (COVID-19)

Infectious Disease Outlook (COVID-19) .... The World Health Organization has declared a pandemic following the outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus (the "Pandemic"), which is currently affecting many parts of the world, including the United States and Texas. As described herein under "Investment Considerations- Infectious Disease Outlook (COVID-19)", federal, state and local governments have all taken actions to respond to the Pandemic, including disaster declarations by both the President of the United States and the Governor of Texas. Such actions are focused on limiting instances where the public can congregate or interact with each other, which affects economic growth within Texas.

Since the disaster declarations were made, the Pandemic has negatively affected travel, commerce, and financial markets locally and globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide and within Texas.

Such adverse economic conditions, if they continue, could result in declines in the demand for residential and commercial property in the Houston/Galveston area and could reduce or negatively affect property values or homebuilding activity within the District. The Bonds are secured by an unlimited ad valorem tax, and a reduction in property values may require an increase in the ad valorem tax rate required to pay the Bonds as well as the District's share of operations and maintenance expenses payable from ad valorem taxes.

The District continues to monitor the spread of COVID-19 and is working with local, state, and national agencies to address the potential impact of COVID-19 upon the District. While the potential impact of COVID-19 on the District cannot be quantified at this time, the continued outbreak of COVID-19 could have an adverse effect on the District's operations and financial condition. The financial and operating data contained herein are the latest available, but are as of dates and for periods prior to the economic impact of the Pandemic and measures instituted to slow it. Accordingly, they are not indicative of the economic impact of the Pandemic on the District's financial condition.

THE DISTRICT

The Issuer .... The District is a political subdivision of the State of Texas, created by a special act of the Texas Legislature, effective June 17, 2005. See "THE DISTRICT – General."

Location .... Approximately 737.25 acres of the District are located in Galveston County with the remaining 47.32 acres located in Harris County. The District is located within the city limits of the City of Friendswood. Interstate 45 may be accessed from the District by way of F.M. 518, which runs through the center of the District. The District is bounded on the south by the City of Friendswood/League City dividing line; on the east by Rancho Viejo; and on the north by Chigger Creek.

The Developer .... Land within the District is being developed by Autumn Creek Development, Ltd. (the "Developer"), a Texas limited partnership, doing business as Friendswood Development Company. See "THE DISTRICT" and "THE DEVELOPER."

Development within the District .... As of April 1, 2020, the District contained 1,247 completed single-family homes, 10 homes under construction and 0 lots available for home construction. The remaining land in the District is comprised of approximately 75.50 undeveloped but developable acres, 24.89 acres available for recreational area, approximately 147.47 acres that are undevelopable and 27.85 acres for major thoroughfares/collectors. The Developer owns the remaining 75.50 acres and plans to develop commercial properties on this land. See "DEVELOPMENT WITHIN THE DISTRICT."

Homebuilders Within the District .... Homebuilders active within the District are Perry Homes, Partners in Building, David Weekley Homes and Village Builders. Homes being constructed range in price from the $300,000’s to the $800,000’s and range in size from 2,300 to 5,500 square feet.

INVESTMENT CONSIDERATIONS

THE BONDS ARE SUBJECT TO CERTAIN INVESTMENT CONSIDERATIONS. PROSPECTIVE PURCHASERS SHOULD CAREFULLY EXAMINE THE ENTIRE OFFICIAL STATEMENT BEFORE MAKING AN INVESTMENT DECISION, INCLUDING PARTICULARLY THE SECTION OF THE OFFICIAL STATEMENT ENTITLED "INVESTMENT CONSIDERATIONS."

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SUMMARY OF SELECTED FINANCIAL INFORMATION
(UNAUDITED)

2019 Assessed Valuation (100% of market value as of January 1, 2019) See "SELECTED FINANCIAL INFORMATION" and "TAXING PROCEDURES."	$	580,415,795	(a)
2020 Preliminary Value	$	665,392,086	
Direct Debt:			
The Outstanding Bonds	$	22,005,000	
Less: The Refunded Bonds		(9,995,000)	
The Bonds		10,590,000	
Total	$	22,600,000	
Estimated Overlapping Debt	$	27,489,764	
Total Direct and Estimated Overlapping Debt	$	50,089,764	
Direct Debt Ratios:			
As a percentage of 2019 Assessed Valuation		3.89 %	
As a percentage of 2020 Preliminary Value		3.40 %	
Direct and Estimated Overlapping Debt Ratios:			
As a percentage of 2019 Assessed Valuation		8.63 %	
As a percentage of 2020 Preliminary Value		7.53 %	
Road Debt Service Fund Balance (as of April 1, 2020)	$	505,467	(b)
System Debt Service Fund Balance (as of April 1, 2020)	$	1,690,571	(c)
Road Construction Fund Balance (as of April 1, 2020)	$	175,395	
System Construction Fund Balance (as of April 1, 2020)	$	929,257	
Operating Fund Balance (as of April 1, 2020)	$	1,453,424	
2019 Tax Rate per $100 of Assessed Valuation			
Road Debt Service		$ 0.065	
System Debt Service		0.245	
Maintenance & Operation		0.140	
Total		$ 0.450	(d)
Average Annual Debt Service Requirements on the Outstanding Bonds and the Series 2020 System Refunding Bonds (2020-2040)	$	1,419,738	
Maximum Annual Debt Service Requirement on the Outstanding Bonds and the Series 2020 System Refunding Bonds (2028)	$	1,664,281	
Tax Rate per $100 of Assessed Valuation Required to Pay Average Annual Debt Service Requirements on the Outstanding Bonds and the Refunding Bonds (2020-2040) at 95% Tax Collections: Based Upon the 2019 Assessed Valuation ($580,415,795)		$ 0.26	
Tax Rate per $100 of Preliminary Value Required to Pay Average Annual Debt Service Requirements on the Outstanding Bonds and the Refunding Bonds (2020-2040) at 95% Tax Collections: Based Upon the 2020 Preliminary Value ($665,392,086)		$ 0.23	
Tax Rate per $100 of Assessed Valuation Required to Pay Maximum Annual Debt Service Requirements on the Outstanding Bonds and the Refunding Bonds (2028) at 95% Tax Collections: Based Upon the 2019 Assessed Valuation ($580,415,795)		$ 0.31	
Tax Rate per $100 of Preliminary Value Required to Pay Maximum Annual Debt Service Requirements on the Outstanding Bonds and the Refunding Bonds (2020-2040) at 95% Tax Collections: Based Upon the 2020 Preliminary Value ($665,392,086)		$ 0.27	
Number of Single-Family Homes (including 10 homes in various stages of construction) as of April 1, 2020		1,257	

(a) Certified Taxable Assessed Value within the District as provided by the Galveston Central Appraisal District (the "Appraisal District"). No values are included for the portion of the District located in Harris County because only a very small part of the District is located in Harris County and no development is planned for such portion of the District

(b) Neither Texas Law nor the Series 2020 Road Refunding Bond Resolution requires that the District maintain any particular sum in the Road Debt Service Fund. The funds in the Road Debt Service Fund are pledged only to pay the debt service on the Remaining Outstanding Road Bonds and the Series 2020 Road Refunding Bonds, but not the Remaining Outstanding System Bonds or the Series 2020 System Refunding Bonds.

(c) Neither Texas Law nor the Series 2020 System Refunding Bond Resolution requires that the District maintain any particular sum in the System Debt Service Fund. The funds in the System Debt Service Fund are pledged only to pay the debt service on the Remaining Outstanding System Bonds, and the Series 2020 System Refunding Bonds, but not to the Remaining Outstanding Road Bonds or the Series 2020 Road Refunding Bonds.

(d) The District is authorized to levy separate debt service taxes for road debt and water and sewer debt, both of which are unlimited as to rate or amount. See "THE BONDS – Authority for Issuance."

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OFFICIAL STATEMENT

relating to

WEST RANCH MANAGEMENT DISTRICT
(A Political Subdivision of the State of Texas Located in Harris and Galveston Counties, Texas)

$9,040,000	**$1,550,000**
Unlimited Tax Refunding Bonds	**Unlimited Tax Road Refunding Bonds**
Series 2020	**Series 2020**

INTRODUCTION

This Official Statement provides certain information in connection with the issuance by West Ranch Management District (the "District") of its $9,040,000 Unlimited Tax Refunding Bonds, Series 2020 (the "Series 2020 System Refunding Bonds") and its $1,550,000 Unlimited Tax Road Refunding Bonds, Series 2020 (the "Series 2020 Road Refunding Bonds," and collectively the "Bonds").

The Bonds are issued pursuant to Chapter 1207 of the Texas Government Code; Chapter 8212 of the Texas Special District Local Laws Code; Chapters 49 and 54 of the Texas Water Code; Article XVI, Section 59 of the Texas Constitution in the case of the Series 2020 System Refunding Bonds, Article III, Section 52 of the Texas Constitution in the case of the Series 2020 Road Refunding Bonds; a resolution authorizing the issuance of the Series 2020 System Refunding Bonds and an approval certificate executed on the date of the sale of the Series 2020 System Refunding Bonds establishing the final terms thereof (collectively, the "Series 2020 System Refunding Bond Resolution"); a resolution authorizing the issuance of the Series 2020 Road Refunding Bonds and an approval certificate executed on the date of the sale of the Series 2020 Road Refunding Bonds establishing the final terms thereof (collectively, the "Series 2020 Road Refunding Bond Resolution," and together with the "Series 2020 System Refunding Bond Resolution", the "Bond Resolutions"); and an election held in the District on November 8, 2005.

Unless otherwise indicated, capitalized terms used in this Official Statement have the same meaning assigned to such terms in the Bond Resolutions.

The Official Statement includes descriptions of the Bonds, the Bond Resolutions, and certain information about the District and its financial condition. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from the District upon request.

THE BONDS

General

The Bonds will bear interest from June 1, 2020, and will mature on September 1 of the years and in the principal amounts, and will bear interest at the rates per annum, set forth on the inside cover page hereof. Interest on the Bonds will be paid on September 1, 2020, and on each March 1 and September 1 (each an "Interest Payment Date") thereafter until maturity or earlier redemption and will be calculated on the basis of a 360-day year composed of twelve 30-day months. The Bonds will be issued in fully registered form only, without coupons, in denominations of $5,000 of principal amount or any integral multiple thereof, and when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"), acting as securities depository for the Bonds until DTC resigns or is discharged. The Bonds initially will be available to purchasers in book-entry form only. So long as Cede & Co., as the nominee of DTC, is the registered owner of the Bonds, principal of and interest on the Bonds will be payable by the paying agent to DTC, which will be solely responsible for making such payment to the beneficial owners of the Bonds. The initial paying agent and registrar for the Bonds is Regions Bank, Houston, Texas, an Alabama banking corporation (the "Paying Agent/Registrar").

Record Date for Interest Payment

Interest on the Bonds will be paid to the registered owner (the "Registered Owners") appearing on the registration and transfer books (the "Register") of the Paying Agent/Registrar at the close of business on the fifteenth calendar day of the month next preceding each interest payment date (the "Record Date"). If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the principal payment office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of non-payment of interest on a scheduled payment date and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar when funds for the payment of such interest have been received. Notice of the Special Record Date and of the scheduled payment date of the past due interest ("Special Payment Date" which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each registered owner of a Bond appearing in the registration and transfer books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing such notice.

Redemption Provisions

Optional Redemption

The Bonds maturing on and after September 1, 2026, are subject to redemption prior to maturity at the option of the District, in whole or from time to time in part, on September 1, 2025, and on any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest from the most recent payment date to the date fixed for redemption. The Paying Agent/Registrar shall give written notice of redemption, by registered mail, overnight delivery, or other comparably secure means, not less than thirty (30) days prior to the redemption date, to each registered securities depository (and to each national information service that disseminates redemption notices) known to the Paying Agent/Registrar, but neither the failure to give such notice nor any defect therein shall affect the sufficiency of notice given to the Registered Owner as herein above stated. The Paying Agent/Registrar may provide written notice of redemption to DTC by facsimile.

The Bonds of a denomination larger than $5,000 may be redeemed in part ($5,000 or any multiple thereof). Any Bond to be partially redeemed must be surrendered in exchange for one or more new Bonds of the same series and maturity for the unredeemed portion of the principal of the Bonds so surrendered. In the event of redemption of less than all of the Bonds, the particular Bonds to be redeemed shall be selected by the District; if less than all of the Bonds of a particular series and maturity are to be redeemed; the Paying Agent/Registrar is required to select the Bonds of such series and maturity to be redeemed by lot.

Mandatory Redemption

The System Bonds that mature on September 1 in the years 2033, 2035, 2037 and 2040 are terms bonds (the "System Term Bonds") and shall be redeemed by lot or other customary method of random selection (or by DTC in accordance with its procedures while the System Refunding Bonds are in book-entry-only form) prior to maturity, at a price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption (the "Mandatory Redemption Date"), on September 1 in each of the years and in the principal amounts set forth in the following schedule:

$1,055,000 Term Bond due September 1, 2033

Mandatory Redemption Date	Principal Amount
September 1, 2032	$ 520,000
September 1, 2033 (maturity)	535,000

$1,115,000 Term Bond due September 1, 2035

Mandatory Redemption Date	Principal Amount
September 1, 2034	$ 550,000
September 1, 2035 (maturity)	565,000

$1,165,000 Term Bond due September 1, 2037

Mandatory Redemption Date	Principal Amount
September 1, 2036	$ 575,000
September 1, 2037 (maturity)	590,000

$1,870,000 Term Bond due September 1, 2040

Mandatory Redemption Date	Principal Amount
September 1, 2038	$ 605,000
September 1, 2039	625,000
September 1, 2040 (maturity)	640,000

The Road Bonds that mature on September 1 in each of the years 2027, 2029, 2031, 2034, 2037 and 2040 are term bonds (the "Road Term Bonds"," and together with the System Term Bonds, the "Term Bonds") and shall be redeemed by lot or other customary method of random selection (or by DTC in accordance with its procedures while the Road Refunding Bonds are in book-entry-only form) prior to maturity, at a price equal to the principal amount thereof, plus accrued interest to the Mandatory Redemption Date, on September 1 in each of the years and in the principal amounts set forth in the following schedule:

$145,000 Term Bond due September 1, 2027

Mandatory Redemption Date	Principal Amount
September 1, 2026	$ 70,000
September 1, 2027 (maturity)	75,000

$155,000 Term Bond due September 1, 2029

Mandatory Redemption Date	Principal Amount
September 1, 2028	$ 80,000
September 1, 2029 (maturity)	75,000

$165,000 Term Bond due September 1, 2031

Mandatory Redemption Date	Principal Amount
September 1, 2030	$ 80,000
September 1, 2031 (maturity)	85,000

$260,000 Term Bond due September 1, 2034

Mandatory Redemption Date	Principal Amount
September 1, 2032	$ 85,000
September 1, 2033	90,000
September 1, 2034 (maturity)	85,000

$280,000 Term Bond due September 1, 2037

Mandatory Redemption Date	Principal Amount
September 1, 2035	$ 90,000
September 1, 2036	95,000
September 1, 2037 (maturity)	95,000

$315,000 Term Bond due September 1, 2040

Mandatory Redemption Date	Principal Amount
September 1, 2038	$ 105,000
September 1, 2039	105,000
September 1, 2040 (maturity)	105,000

On or before 30 days prior to each Mandatory Redemption Date set forth above, the Registrar shall (i) determine the principal amount of such Term Bond that must be mandatorily redeemed on such Mandatory Redemption Date, after taking into account deliveries for cancellation and optional redemptions as more fully provided for below, (ii) select, by lot or other customary random method, the Term Bond or portions of the Term Bond of such maturity to be mandatorily redeemed on such Mandatory Redemption Date, and (iii) give notice of such redemption as provided in the Bond Resolution. The principal amount of any Term Bond to be mandatorily redeemed on such Mandatory Redemption Date shall be reduced by the principal amount of such Term Bond, which, by the 45th day prior to such Mandatory Redemption Date, either has been purchased in the open market and delivered or tendered for cancellation by or on behalf of the District to the Registrar or optionally redeemed and which, in either case, has not previously been made the basis for a reduction under this sentence.

Registration, Transfer and Exchange

In the event the Book-Entry-Only System (herein defined) should be discontinued, the Bonds will be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender thereof to the Paying Agent/Registrar at its corporate trust office and such transfer or exchange shall be without expenses or service charge to the Registered Owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange 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 Paying Agent/Registrar. A new Bond or Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bonds being transferred or exchanged, at the principal payment office of the Paying Agent/Registrar, or sent by the United States mail, first class, postage prepaid, to the new Registered Owner or his designee. 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 Registered Owner in not more than three business days after the receipt of the Bonds to be cancelled, and the written instrument of transfer or request for exchange duly executed by the Registered Owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Bonds registered and delivered in an exchange or transfer shall be in any integral multiple of $5,000 for any one maturity and for a like aggregate principal amount as the Bond or Bonds surrendered for exchange or transfer. See "BOOK-ENTRY-ONLY SYSTEM" for a description of the system to be utilized initially in regard to ownership and transferability of the Bonds.

Mutilated, Lost, Stolen or Destroyed Bonds

In the event the Book-Entry-Only system should be discontinued, the District has agreed to replace mutilated, destroyed, lost or stolen Bonds upon surrender of the mutilated Bonds, receipt of satisfactory evidence of such destruction, loss or theft, and receipt by the District and the Paying Agent/Registrar of security or indemnity to hold them harmless. Upon the issuance of a new bond the District may require payment of taxes, governmental charges and other expenses (including the fees and expenses of the Paying Agent/Registrar), bond printing and legal fees in connection with any such replacement.

Replacement of Paying Agent/Registrar

Provisions are made in the Bond Resolutions for replacement of the Paying Agent/Registrar by the District. If the Paying Agent/Registrar is replaced by the District, the new Paying Agent/Registrar shall act in the same capacity as the previous Paying Agent/Registrar. Any Paying Agent/Registrar selected by the District shall be a national or state banking institution, a corporation organized and doing business under the laws of the United States of America or of any State, authorized under such laws to exercise trust powers, and subject to supervision or examination by federal or state authority, to act as paying agent for the Bonds.

Source of Payment

While the Bonds or any part of the principal thereof or interest thereon remain outstanding and unpaid, the District covenants to levy and annually assess and collect in due time, form and manner, and at the same time as other District taxes are assessed, levied and collected, in each year, beginning with the current year, a continuing direct annual ad valorem tax, without legal limit as to rate or amount, upon all taxable property in the District sufficient to pay the interest on the Bonds as the same becomes due and to pay each installment of the principal of the Bonds as the same matures, with full allowance being made for delinquencies and cost of collection. In the Bond Resolutions, the District covenants that said taxes are irrevocably pledged to the payment of the interest and principal of the Bonds and any unlimited tax bonds hereafter issued. The Bonds are obligations of the District and are not the obligations of the State of Texas; Galveston County, Texas; Harris County, Texas; the City of Friendswood, Texas (the "City"); or any other political subdivision or any entity other than the District.

Payment Record

The District has never defaulted on the timely payment of principal and interest on its bonded indebtedness.

Authority for Issuance

The voters in the District have authorized issuance of $17,850,000 principal amount of unlimited tax refunding bonds. After sale of the Bonds, a total of $17,255,000 principal amount of unlimited tax refunding bonds will remain authorized but unissued. The Bonds, when issued will constitute valid and binding obligations of the District, payable from the proceeds of two separate continuing direct annual ad valorem taxes, each without legal limitation as to rate or amount, levied against all taxable property within the District.

The Bonds are issued pursuant to Chapter 1207 of the Texas Government Code; Chapter 8212 of the Texas Special District Local Laws Code; Chapters 49 and 54 of the Texas Water Code; Article XVI, Section 59 of the Texas Constitution in the case of the Series 2020 System Refunding Bonds, Article III, Section 52 of the Texas Constitution in the case of the Series 2020 Road Refunding Bonds; a resolution authorizing the issuance of the Series 2020 System Refunding Bonds and an approval certificate executed on the date of the sale of the Series 2020 System Refunding Bonds establishing the final terms thereof (collectively, the "Series 2020 System Refunding Bond Resolution"); a resolution authorizing the issuance of the Series 2020 Road Refunding Bonds and an approval certificate executed on the date of the sale of the Series 2020 Road Refunding Bonds establishing the final terms thereof (collectively, the "Series 2020 Road Refunding Bond Resolution," and together with the "Series 2020 System Refunding Bond Resolution", the "Bond Resolutions"); and an election held in the District on November 8, 2005.

Outstanding Bonds

The District has previously issued six series of unlimited tax bonds or unlimited tax and refunding bonds for the purpose of acquiring or constructing the System and refunding purposes, of which $17,635,000 principal amount remains outstanding as of April 1, 2020. The District has previously issued three series of unlimited tax road bonds for road improvement purposes, of which $4,370,000 principal amount remains outstanding as of April 1, 2020.

Exclusive of the Refunded System Bonds, $9,065,000 principal amount of bonds and refunding bonds issued for the System will remain outstanding following the issuance of the Bonds (the "Remaining Outstanding System Bonds"). Exclusive of the Refunded Road Bonds, $2,945,000 principal amount of bonds and refunding bonds issued for road improvements in the District will remain outstanding following the issuance of the Bonds (the "Remaining Outstanding Road Bonds"). The Remaining Outstanding System Bonds and the Remaining Outstanding Road Bonds are collectively referred to herein as the "Remaining Outstanding Bonds."

Issuance of Additional Debt

The District may issue additional bonds necessary to provide and maintain improvements and facilities consistent with the purposes for which the District was created. See "THE DISTRICT - General." The District has $3,775,000 principal amount of unlimited tax bonds authorized but unissued for the purpose to provide a waterworks system, sanitary sewer system, drainage and storm sewer system, streets and thoroughfares, public parking facilities, village center amenities, school site, and other municipal amenities such as public safety facilities, public assembly facilities, recreational facilities and related infrastructure (herein defined as "District Improvements"). The District is also authorized to issue $17,850,000 principal amount of unlimited tax bonds for refunding purposes in excess of the par amount of the refunded bonds.

After the issuance of the Bonds, the District will have $17,255,000 principal amount of authorized but unissued unlimited tax bonds for refunding purposes. The Bond Resolutions impose no limitation on the amount of additional parity bonds which may be issued by the District. See "INVESTMENT CONSIDERATIONS - Future Debt."

Before issuing any additional bonds for water, sewer, and drainage facilities, the District would have to obtain approval of the Texas Commission on Environmental Quality (the "Commission") for the issuance of such bonds and the projects to be financed thereby. In addition to the above-mentioned bonds, the District has the right to issue such additional tax bonds or combination tax and revenue bonds as may be hereafter approved by the voters of the District. The District also has the right to issue revenue notes, bond anticipation notes, and tax anticipation notes without the necessity of voter approval. In addition, the District has the right to enter into contracts and to pledge its taxing power to secure any payments the District is required to make under such contracts, provided the provisions of the contract are approved by the voters of the District. The District further has the right to issue refunding bonds without additional voter approval.

With respect to funds advanced by the Developer as of fiscal year ended July 31, 2019, the District owed the Developer approximately $369,600 for funds heretofore advanced on behalf of the District. The District has entered into agreements with the Developer to reimburse such amounts from available funds or through the proceeds of future bond issues, subject to Commission approval of each such bond issue with respect to District Improvement projects.

The District also is authorized by statute to engage in fire-fighting activities, including the issuance of bonds payable from taxes for such purposes. Before the District can issue such bonds, the following actions would be required: (a) amendments to the existing City of Friendswood ordinance specifying the purposes for which the District may issue bonds; (b) authorization of a detailed master plan and bonds for such purpose by the qualified voters in the District; (c) approval of the master plan and issuance of bonds by the Commission; and (d) approval of the bonds by the Attorney General. The Board has not considered calling an election for such purpose at this time.

The ability of the District to incur debt is further restricted by agreement with the City of Friendswood. See "UTILITY AGREEMENT BETWEEN THE DISTRICT AND THE CITY OF FRIENDSWOOD."

Registered Owners' Remedies

If the District defaults in the payment of principal, interest, or redemption price on the Bonds when due, or if it fails to make payments into any fund or funds created in the Bond Resolution, or defaults in the observation or performance of any other covenants, conditions, or obligations set forth in the Bond Resolution, the Registered Owners have the statutory right of a writ of mandamus issued by a court of competent jurisdiction requiring the District and its officials to observe and perform the covenants, obligations, or conditions prescribed in the Bond Resolution. Except for mandamus, the Bond Resolution does not specifically provide for 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. 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. 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 judgment 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 property within the District or sell property within the District to enforce the tax lien on taxable property to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the Registered Owners may further be limited by a State of Texas statute reasonably required to attain an important public purpose or 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.

Consolidation and Dissolution

The City of Friendswood has the right to abolish and dissolve the District and to acquire the District's assets and assume the District's obligations in accordance with state law, subject, however to the terms of the Utility Service Agreement between the District and the City of Friendswood. See "UTILITY AGREEMENT BETWEEN THE DISTRICT AND CITY OF FRIENDSWOOD." Under the terms of that Agreement, the City of Friendswood may not dissolve the District until 90% of the developable acreage in the District has been developed with water, sewer, drainage and park facilities and the Developer has been reimbursed for said facilities or the City of Friendswood assumes such reimbursement obligation, both of which conditions have now been fulfilled. If any of the Bonds are outstanding at the time of dissolution, the payment of such Bonds becomes the obligation of the City of Friendswood. Dissolution of the District is a policy matter for the City of Friendswood. The District can make no representation regarding the likelihood that the City of Friendswood will dissolve the District.

No Arbitrage

The District will certify, on the date of delivery of the Bonds, that based upon all facts and estimates now known or reasonably expected to be in existence on the date the Bonds are delivered and paid for, 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 the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations prescribed 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 are authorized to certify to the facts and 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 covenants that it shall make such use of the proceeds of the Bonds, regulate investment of proceeds of the Bonds and take such other and further actions and follow such procedures, including, without limitation, calculating the yield on the Bonds, as may be required so that the Bonds shall not become "arbitrage bonds" under the Code and the regulations prescribed from time to time thereunder.

Legal Investment and Eligibility to Secure Public Funds in Texas

The following is an excerpt 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.

Defeasance of the Refunded Bonds

The Bond Resolutions provide 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, 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, (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) noncallable 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, and which 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.

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.

BOOK-ENTRY-ONLY SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by DTC while the Bonds are registered in its nominee's 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 Underwriter believe the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

The District and the Underwriter cannot and do not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participant, (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 United States Securities and Exchange Commission (the "SEC"), and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC 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 required by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each of the Bonds, each 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 S&P Global Ratings of AA+. The DTC Rules applicable to its Participants are on file with the SEC. 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 purchase 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 in 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. 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issue as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal, and interest 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 District or 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, Paying Agent/Registrar or District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of District or 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/Registrar. 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-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in the section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but Issuer 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 form, 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 system, and (ii) except as described above, notices that are to be given to registered owners under the Bond Resolutions will be given only to DTC.

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PLAN OF FINANCING

Use of Proceeds

The proceeds of the Series 2020 System Refunding Bonds will be applied to pay certain costs incurred in connection with the issuance of the Series 2020 System Refunding Bonds and to refund $5,460,000 principal amount of the District's $6,740,000 Unlimited Tax Bonds, Series 2010 (the "Series 2010 Refunded Bonds"), and $3,110,000 principal amount of the District's $3,110,000 Unlimited Tax Bonds, Series 2012A (the "Series 2012A Refunded Bonds" and collectively, the "Refunded System Bonds"). The defeasance of the Refunded System Bonds is expected to result in an annual and net present value savings in the District's current annual debt service requirements.

The proceeds of the Series 2020 Road Refunding Bonds will be applied to pay certain costs incurred in connection with the issuance of the Series 2020 Road Refunding Bonds and to refund $1,425,000 principal amount of the District's $1,815,000 Unlimited Tax Road Bonds, Series 2010 (the "Series 2010 Refunded Road Bonds"). The defeasance of the Refunded Road Bonds is expected to result in an annual and net present value savings in the District's current annual debt service requirements. The Refunded System Bonds and the Refunded Road Bonds are collectively referred to herein as the "Refunded Bonds."

Series 2010 Refunded Bonds		Series 2010A Refunded Road Bonds		Series 2012A Refunded Bonds	
Principal Amount	Maturity Date	Principal Amount	Maturity Date	Principal Amount	Maturity Date
$ 170,000	09/01/2022	$ 50,000	09/01/2023	$ 170,000	09/01/2027
180,000	09/01/2023	50,000 (c)	09/01/2024	180,000	09/01/2028
190,000	09/01/2024	55,000 (c)	09/01/2025	185,000	09/01/2029
200,000	09/01/2025	55,000 (d)	09/01/2026	190,000	09/01/2030
210,000	09/01/2026	60,000 (d)	09/01/2027	200,000	09/01/2031
220,000 (a)	09/01/2027	65,000 (e)	09/01/2028	205,000 (h)	09/01/2032
235,000 (a)	09/01/2028	65,000 (e)	09/01/2029	215,000 (h)	09/01/2033
250,000 (a)	09/01/2029	70,000 (e)	09/01/2030	225,000 (h)	09/01/2034
260,000 (a)	09/01/2030	75,000 (f)	09/01/2031	235,000 (i)	09/01/2035
275,000 (b)	09/01/2031	80,000 (f)	09/01/2032	240,000 (i)	09/01/2036
290,000 (b)	09/01/2032	85,000 (f)	09/01/2033	250,000 (i)	09/01/2037
305,000 (b)	09/01/2033	85,000 (f)	09/01/2034	260,000 (j)	09/01/2038
325,000 (b)	09/01/2034	90,000 (f)	09/01/2035	270,000 (j)	09/01/2039
340,000 (b)	09/01/2035	95,000 (g)	09/01/2036	285,000 (j)	09/01/2040
360,000 (b)	09/01/2036	100,000 (g)	09/01/2037	$ 3,110,000	
380,000 (b)	09/01/2037	110,000 (g)	09/01/2038		
400,000 (b)	09/01/2038	115,000 (g)	09/01/2039		
425,000 (b)	09/01/2039	120,000 (g)	09/01/2040		
445,000 (b)	09/01/2040	$1,425,000			
$5,460,000					

Total Principal Amount of the Refunded System Bonds: $8,570,000

Total Principal Amount of the Refunded Road Bonds: $1,425,000

Total Principal Amount of the Refunded Bonds: $9,995,000

Redemption Date: 9/01/2020

(a) Represents a term bond in the total principal amount of $965,000, scheduled to mature on September 1, 2030.
(b) Represents a term bond in the total principal amount of $3,545,000, scheduled to mature on September 1, 2040.
(c) Represents a term bond in the total principal amount of $105,000, scheduled to mature on September 1, 2025.
(d) Represents a term bond in the total principal amount of $115,000, scheduled to mature on September 1, 2027.
(e) Represents a term bond in the total principal amount of $200,000, scheduled to mature on September 1, 2030.
(f) Represents a term bond in the total principal amount of $415,000, scheduled to mature on September 1, 2035.
(g) Represents a term bond in the total principal amount of $540,000, scheduled to mature on September 1, 2040.
(h) Represents a term bond in the total principal amount of $645,000, scheduled to mature on September 1, 2034.
(i) Represents a term bond in the total principal amount of $725,000, scheduled to mature on September 1, 2037.
(j) Represents a term bond in the total principal amount of $815,000, scheduled to mature on September 1, 2040.

Remaining Outstanding Bonds

The following table represents the previously issued bonds for the purpose of acquiring or constructing the System and for refunding purposes that will remain outstanding following the issuance of the Series 2020 System Refunding Bonds.

	Original Principal Amount	Remaining Outstanding Principal Amount	Less: Refunded System Bonds	Remaining Outstanding Bonds
Unlimited Tax Bonds, Series 2010	$ 6,740,000	$ 5,775,000	$ (5,460,000)	$ 315,000
Unlimited Tax Bonds, Series 2012A	3,110,000	3,110,000	(3,110,000)	-
Unlimited Tax Bonds, Series 2013	1,270,000	1,135,000	-	1,135,000
Unlimited Tax Bonds, Series Taxable 2015	5,655,000	4,625,000	-	4,625,000
Unlimited Tax and Refunding Bonds, Series 2016	3,335,000	2,990,000	-	2,990,000
	$ 20,110,000	$ 17,635,000	$ (8,570,000)	$ 9,065,000

The following table represents the previously issued bonds for road improvements and for refunding purposes that will remain outstanding following the issuance of the Series 2020 Road Refunding Bonds.

	Original Principal Amount	Remaining Outstanding Principal Amount	Less: Refunded Road Bonds	Remaining Outstanding Bonds
Unlimited Tax Road Bonds, Series 2010A	$ 1,815,000	$ 1,555,000	$ (1,425,000)	$ 130,000
Unlimited Tax Road Bonds, Series 2013	1,390,000	845,000	-	845,000
Unlimited Tax Road Bonds, Series 2014	2,235,000	1,970,000	-	1,970,000
	$ 5,440,000	$ 4,370,000	$ (1,425,000)	$ 2,945,000

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Sources and Uses of Funds

The proceeds from the sale of the Series 2020 System Refunding Bonds will be applied as follows:

SOURCES OF FUNDS:	
Principal Amount of the Series 2020 System Refunding Bonds	$ 9,040,000.00
Net Premium	(85,800.20)
Accrued Interest on the Series 2020 System Refunding Bonds	5,191.39
Debt Service Fund Transfer	145,000.00
Total Sources of Funds	$ 9,104,391.19
USES OF FUNDS:	
Deposit for Payment of the Refunded System Bonds	$ 8,768,558.29
Deposit of Accrued Interest to Debt Service Fund	5,191.39
Insurance Premium	42,851.71
Issuance Expenses and Underwriter's Discount	287,789.80
Total Uses of Funds	$ 9,104,391.19

The proceeds from the sale of the Series 2020 Road Refunding Bonds will be applied as follows:

SOURCES OF FUNDS:	
Principal Amount of the Series 2020 Road Refunding Bonds	$ 1,550,000.00
Net Premium	(13,694.10)
Accrued Interest on the Series 2020 Road Refunding Bonds	898.33
Debt Service Fund Transfer	22,000.00
Total Sources of Funds	$ 1,559,204.23
USES OF FUNDS:	
Deposit for Payment of the Refunded Road Bonds	$ 1,459,934.65
Deposit of Accrued Interest to Debt Service Fund	898.33
Insurance Premium	7,311.98
Issuance Expenses and Underwriter's Discount	91,059.27
Total Uses of Funds	$ 1,559,204.23

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Escrow Agent

The District will enter into an escrow agreement (the "Escrow Agreement") with Regions Bank, Houston, Texas, an Alabama banking corporation (the "Escrow Agent") pursuant to which a portion of the proceeds of the Bonds will be invested in certain securities of the United States of America or agencies of the United States of America (the "Escrowed Obligations"), deposited, along with cash, in an escrow fund (the "Escrow Fund"), and applied to provide for scheduled payment of principal of and interest on the Refunded Bonds until their maturity or prior redemption. At the time of delivery of the Bonds, Robert Thomas CPA, LLC, will verify to the District, the Escrow Agent and the Underwriter that the Escrowed Obligations will mature at such times and yield interest in amounts that, together with uninvested funds, if any, in the Escrow Fund, will be sufficient to pay, when due, the principal of and interest on the Refunded Bonds. Pursuant to the Escrow Agreement, the Escrow Fund is irrevocably pledged for the payment of principal of and interest on the Refunded Bonds.

By the deposit of the Escrowed Obligations and cash with the Escrow Agent pursuant to the Escrow Agreement, the District will have effected the defeasance of the Refunded Bonds pursuant to the terms of the orders authorizing the issuance of the Refunded Bonds. In the opinion of Allen Boone Humphries Robinson LLP, Bond Counsel, as a result of such deposit, firm banking and financial arrangements will have been made for the discharge and final payment of the Refunded Bonds pursuant to the Escrow Agreement, and such Refunded Bonds will be deemed to be fully paid and no longer outstanding except for the purpose of being paid from the funds provided therefore in such Escrow Agreement.

THE DISTRICT

General

The District was created as West Ranch Management District by special act of the Texas Legislature, effective June 17, 2005, and operates under Chapter 3837, Texas Special District Local Laws Code, and Chapters 49 and 54 of the Texas Water Code and other general laws of the State of Texas applicable to municipal management districts and municipal utility districts.

At the time of its creation, the District encompassed 765.31 acres. Since its creation, the District has completed one annexation totaling 19.2637 acres on September 11, 2013. The District currently includes 784.57 acres.

Location

Approximately 737.25 acres of the District are located in Galveston County with the remaining 47.32 acres located in Harris County. The District is located within the city limits of the City of Friendswood. Interstate 45 may be accessed from the District by way of F.M. 518, which runs through the center of the District. The District is bounded on the south by the City of Friendswood/League City dividing line; on the east by Rancho Viejo; and on the north by Chigger Creek.

Authority

The District is empowered, among other things, to further economic development, eliminate unemployment or under employment, develop or expand transportation, promote health and safety and other purposes, and to purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the supply and distribution of water; the collection, transportation, and treatment of wastewater; the control and diversion of storm water; construction of roads; and recreational facilities. The District may issue bonds and other forms of indebtedness to purchase or construct facilities required to further its purposes.

The District is authorized to issue its bonds to finance District Improvements to the extent authorized by the District's qualified voters. Bonds to finance water, wastewater and drainage facilities as District Improvements must also be approved by the Commission. The District has $3,775,000 principal amount of unlimited tax bonds for District Improvements authorized but unissued. The District is also authorized to issue $17,850,000 principal amount of unlimited tax bonds for refunding purposes in excess of the par amount of the refunded bonds. After the issuance of the Bonds, the District will have $17,255,000 principal amount of unlimited tax bonds for refunding purposes.

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Management of the District

- Board of Directors -

The District is governed by a board of directors (the "Board"), consisting of five directors, which has control over and management and supervision of all affairs of the District. Directors serve staggered four-year terms and are appointed by the City of Friendswood. Two directors are residents of the District.

Name	Title	Term Expires May
Brian Gibson	President	2021
Sawyer Blackburn	Vice President/Assistant Secretary	2023
Meredith D. Levine	Director	2023
Doug Konopka	Secretary	2021
J.J. Stanford	Director	2021

- ***Consultants*** -

Tax Assessor/Collector

The tax assessor/collector for the District is Assessments of the Southwest, Inc.

Myrtle Cruz, Inc. acts as bookkeeper for the District.

Auditor

The financial statements of the District as of July 31, 2019, and for the year then ended, included in this Official Statement, have been audited by BKD, LLP, independent auditors, as stated in their report appearing herein. See "APPENDIX A."

Utility System Operator

The City of Friendswood, pursuant to the Utility Services Contract between the District and the City, operates the water and sewer system serving the District. (See "UTILITY AGREEMENT BETWEEN THE DISTRICT AND THE CITY OF FRIENDSWOOD")

Engineer

The consulting engineer for the District is BGE, Inc.

Bond Counsel

The District employs Allen Boone Humphries Robinson LLP as Bond Counsel in connection with the issuance of bonds by the District. The fee to be paid Bond Counsel for services rendered in connection with the issuance of the Bonds is contingent upon the sale and delivery of the Bonds. Such firm also acts as general counsel for the District on other matters.

Financial Advisor – Robert W. Baird & Co. Incorporated serves as the District's financial advisor. The fee for services rendered in connection with the issuance of the Bonds is based on the percentage of the Bonds actually issued, sold and delivered and, therefore, such fee is contingent upon the sale and delivery of the Bonds. 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.

Special Consultants Related to Issuance of the Bonds

Verification Agent – At the time of delivery of the Bonds, Robert Thomas CPA LLC, Certified Public Accountants, will verify to the District, Bond Counsel, Escrow Agent, and the Underwriter certain matters related to the issuance of the bonds and the refunding of the Refunded Bonds. See "VERIFICATION OF MATHEMATICAL CALCULATIONS."

THE DEVELOPER

The Role of a Developer

In general, the activities of a developer in a municipal utility district such as the District include purchasing the land within the District, designing the subdivision, designing the utilities and streets to be constructed in the subdivisions, designing any community facilities to be built, defining a marketing program and building schedule, securing necessary governmental approvals and permits for development, arranging for the construction of roads and the installation of utilities (including, in some cases, water, wastewater, and drainage facilities pursuant to the rules of the , as well as gas, telephone, and electric service) and selling improved lots and commercial reserves to builders, developers, or other third parties. In certain instances, the developer will be required to pay up to thirty percent of the cost of constructing certain District

Improvements in a municipal utility district pursuant to the rules of the Commission. The relative success or failure of a developer to perform such activities in development of property within a municipal utility district may have a profound effect on the security of the unlimited tax bonds issued by a district. A developer is generally under no obligation to a district to develop the property which it owns in the district. Furthermore, there is no restriction on a developer's right to sell any or all of the land which it owns within a district. In addition, a developer is ordinarily the major taxpayer within a municipal utility district during the development phase of the property.

The Developer

The developer of the District is Autumn Creek Development, Ltd., a Texas limited partnership, doing business as Friendswood Development Company ("FDC" or the "Developer"). Autumn Creek Development's sole general partner is Lennar Texas Holding Company, a Texas corporation, which is wholly-owned by Lennar Corporation. Lennar Corporation is a publicly traded corporation whose stock is listed on the New York Stock Exchange. Audited financial statements for Lennar Corporation can be found online at http://www.lennar.com/investor/investor. Lennar Corporation is subject to the information requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith files reports and other information with the United States Securities and Exchange Commission ("SEC"). Reports, proxy statements and other information filed by Lennar Corporation can be inspected at the office of the SEC at Judiciary Plaza, Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such material can be obtained from the Public Reference Section of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. Copies of the above reports, proxy statements and other information may also be inspected at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005. The SEC maintains a website at http://www.sec.gov that contains reports, proxy information statements and other information regarding registrants that file electronically with the SEC.

Autumn Creek owns the remaining 75.50 undeveloped but developable acres and plans to develop commercial properties on this land.

Certain financial information concerning the Developer is included as part of the consolidated financial statements of Lennar Corporation. However, Lennar Corporation is not legally obligated to provide funds for the development of the District, to provide funds to pay taxes on property in the District owned by the Developer, or to pay any other obligations of the Developer. Further, neither the Developer nor Lennar Corporation is responsible for, is liable for or has made any commitment for payment of the Bonds or other obligations of the District, and the inclusion of such financial statements and description of financial arrangements herein should not be construed as an implication to that effect. Neither the Developer nor Lennar Corporation has any legal commitment to the District or owners of the Bonds to continue development of the land within the District and the Developer may sell or otherwise dispose of its property within the District, or any other assets, at any time. Further, the financial condition of the Developer and Lennar Corporation is subject to change at any time. Because of the foregoing, financial information concerning the Developer and Lennar Corporation will neither be updated nor provided following issuance of the Bonds, except as described herein under "CONTINUING DISCLOSURE OF INFORMATION."

UTILITY AGREEMENT BETWEEN THE DISTRICT AND CITY OF FRIENDSWOOD

The District entered into a utility service contract (the "Contract") with the City of Friendswood (the "City") effective August 15, 2005, as amended. Under the terms of the Contract, the District is to pay for construction of water distribution, sanitary sewer, drainage, transportation, education and recreation facilities to serve the District.

The District shall be the owner of each component of the system until that component is completed, approved by the City, and conveyed to it, at which time ownership will vest in the City. The District will continue to own and operate detention facilities to serve the District. Pursuant to the Contract, the District shall have a security interest therein until all bonds issued by the District are retired. The District owns certain recreational facilities, and is responsible for maintenance of such facilities.

The City of Friendswood then operates and maintains such facilities, and is responsible for establishing water and sewer rates and collection charges for water and sewer service from District residents. The City of Friendswood also levies and collects ad valorem taxes on taxable property within the District just as it does with any other property located in the City of Friendswood.

The Contract further provides that the District shall not issue bonded indebtedness in excess of the amount necessary to finance $20,340,000 in specified qualifying facilities, including particular water, wastewater, transportation and recreational improvements. Under the terms of the Contract, bonds may be issued only if the value to debt ratio of the District resulting from the issuance of such bonds together with the District's outstanding debt is five to one or better, i.e. the taxable value of the District must be at least five times the total outstanding debt of the District including the bonds being issued. In addition, the District may issue refunding bonds only if the refunding results in the following: (a) a three per cent savings in debt service, (b) no extension of the maturity of the bonds being refunded, and (c) level savings over the life of the bonds. Further, bonds may be issued only if the District can show that under the rules of the Commission, whether or not such rules apply to the facilities to be financed, the bonds will be feasible at a tax rate not to exceed $0.65 per $100 of valuation (the "Tax Cap") over the life of the bonds. In the event the District's tax rate exceeds the Tax Cap, the City will not approve the issuance of any additional bonds until the District's tax rate falls below the Tax Cap and the proposed bond issue meets the feasibility requirements. The City shall have the right to disapprove the issuance of bonds if the City finds that the projected growth on which the bond issue is based is not likely to be achieved under the then-current conditions.

The Contract has been amended four times by agreement of the parties, to increase the authorized amount, and to revise the proposed land plan of the development, and may be amended again for any purpose. The District makes no representation regarding the terms of any future amendment.

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DEVELOPMENT WITHIN THE DISTRICT

Status of Development

The following chart more completely describes the status of development in the District as of April 1, 2020.

	Acreage	Platted Lots	Homes Completed	Homes Under Construction	Vacant Lots
Stonecreek at West Ranch					
Section 1	28.63	67	67	0	0
Section 2	16.65	51	51	0	0
Creekside at West Ranch					
Section 1	22.52	65	65	0	0
Section 2	17.22	49	49	0	0
Section 3	17.24	37	37	0	0
West Ranch Estates					
Section 1	44.08	41	41	0	0
Section 2	23.55	31	31	0	0
The Reserve at West Ranch					
Section 1	17.95	45	45	0	0
Lake Ridge at West Ranch					
Section 1	21.93	73	73	0	0
Section 2	19.94	67	67	0	0
West Lake at West Ranch					
Section 1	20.03	49	49	0	0
Section 2	14.56	41	41	0	0
Section 3	16.65	52	52	0	0
Sierra at West Ranch					
Section 1	17.02	55	55	0	0
Section 2	10.97	36	36	0	0
Section 3	9.73	39	39	0	0
Lakeside at West Ranch					
Section 1	28.12	67	67	0	0
Section 2	21.52	58	58	0	0
Arbor Gate at West Ranch					
Section 1	9.77	29	29	0	0
Section 2	16.58	36	36	0	0
Section 3	34.85	72	72	0	0
Section 4	16.11	41	41	0	0
Section 5	7.60	28	28	0	0
Section 6	13.70	27	17	10	0
Austin Chase at West Ranch					
Section 1	17.52	46	46	0	0
Section 2	15.79	40	40	0	0
Enclave Lakeside	8.63	15	15	0	0
Subtotals:	508.86	1,257	1,247	10	0
Single-Family Acreage Under Development:	0.00				
Major Thoroughfares/Collectors:	27.85				
Undeveloped but Developable Commercial Acreage(a):	75.50				
Recreational Area:	24.89				
Undevelopable Acreage:	147.47				
Subtotals:	275.71				
Total:	784.57				

Future Development

Future development currently includes approximately 75.50 acres; of this acreage, 63.4 acres as commercial and 12.10 acres as a school. 27.85 acres of the District are for major thoroughfares and collectors, 24.89 acres of the District are dedicated to recreational facilities and 147.47 acres of the District are undevelopable. The District can make no representation that any future development will occur within the District. In the event that future development does occur in the District, it is anticipated that the development costs will be financed through the sale of future bond issues.

DEBT SERVICE SCHEDULE

System Debt Service Requirement Schedule

The following schedule sets forth the current debt service requirements on the District's outstanding debt issued for System and for refunding purposes, less the Refunded System Bonds, plus the principal and interest requirements on the Series 2020 System Refunding Bonds.

Calendar Year	Outstanding System Debt Service (b)	Less: The Refunded System Bonds	Plus: The Series 2020 System Refunding Bonds Principal	Interest	Debt Service	Total System Debt Service
2020	$ 1,025,484	$ 200,576	$ –	$ 58,403	$ 58,403	$ 883,311
2021	1,395,916	401,153	65,000	233,613	298,613	1,293,376
2022	1,393,279	571,153	240,000	231,013	471,013	1,293,139
2023	1,394,899	573,673	250,000	221,413	471,413	1,292,639
2024	1,399,516	575,573	265,000	211,413	476,413	1,300,356
2025	1,399,291	576,548	275,000	200,813	475,813	1,298,556
2026	1,402,229	577,048	285,000	189,813	474,813	1,299,994
2027	1,423,629	747,073	465,000	181,263	646,263	1,322,819
2028	1,431,410	755,123	480,000	171,963	651,963	1,328,250
2029	1,437,086	756,893	495,000	162,363	657,363	1,337,556
2030	1,430,610	752,548	500,000	152,463	652,463	1,330,525
2031	1,097,434	757,328	515,000	142,463	657,463	997,569
2032	1,095,121	754,890	520,000	132,163	652,163	992,394
2033	1,091,421	756,465	535,000	120,463	655,463	990,419
2034	1,093,259	761,853	550,000	108,425	658,425	989,831
2035	1,098,421	760,790	565,000	94,675	659,675	997,306
2036	1,096,784	758,540	575,000	80,550	655,550	993,794
2037	1,098,509	760,040	590,000	66,175	656,175	994,644
2038	1,088,121	760,090	605,000	51,425	656,425	984,456
2039	1,090,743	763,430	625,000	34,788	659,788	987,100
2040	1,086,329	765,048	640,000	17,600	657,600	978,881
Total (a)	$ 26,069,491	$ 14,085,829	$ 9,040,000	$ 2,863,253	$ 11,903,253	$ 23,886,915

(a) Totals may not sum due to rounding.
(b) Outstanding Debt Service as of January 1, 2020.

Average Annual Debt Service Requirements on the Outstanding System Bonds and the Series 2020 System Refunding Bonds (2020-2040) $1,137,472

Maximum Annual Debt Service Requirement on the Outstanding System Bonds and the Series 2020 System Refunding Bonds (2029) $1,337,556

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Road Debt Service Requirement Schedule

The following schedule sets forth the current debt service requirements on the District's outstanding debt issued for road improvements and for refunding purposes, less the Refunded Road Bonds, plus the principal and interest requirements on the Series 2020 Road Refunding Bonds.

		Less: The	Plus: The Series 2020 Road Refunding Bonds			
Calendar Year	Outstanding Road Debt Service (b)	Refunded Road Bonds	Principal	Interest	Debt Service	Total Road Debt Service
2020	$ 272,493	$ 35,271	$ –	$ 10,106	$ 10,106	$ 247,328
2021	359,895	70,541	15,000	40,425	55,425	344,779
2022	359,130	70,541	15,000	39,825	54,825	343,414
2023	358,173	120,541	65,000	39,225	104,225	341,856
2024	356,698	118,291	65,000	36,625	101,625	340,031
2025	364,398	120,941	70,000	34,025	104,025	347,481
2026	356,563	118,356	70,000	31,225	101,225	339,431
2027	353,631	120,675	75,000	29,825	104,825	337,781
2028	350,456	122,750	80,000	28,325	108,325	336,031
2029	251,956	119,500	75,000	26,725	101,725	234,181
2030	255,838	121,250	80,000	25,225	105,225	239,813
2031	259,300	122,750	85,000	23,425	108,425	244,975
2032	262,344	124,000	85,000	21,513	106,513	244,856
2033	264,844	125,000	90,000	19,600	109,600	249,444
2034	261,919	120,750	85,000	17,575	102,575	243,744
2035	258,819	121,500	90,000	15,663	105,663	242,981
2036	260,331	122,000	95,000	13,413	108,413	246,744
2037	261,413	122,250	95,000	11,038	106,038	245,200
2038	267,063	127,250	105,000	8,663	113,663	253,475
2039	266,875	126,750	105,000	5,775	110,775	250,900
2040	271,250	126,000	105,000	2,888	107,888	253,138
Total (a)	$ 6,273,385	$ 2,376,908	$ 1,550,000	$ 481,106	$ 2,031,106	$ 5,927,583

(a) Totals may not sum due to rounding.
(b) Outstanding Debt Service as of January 1, 2020.

Average Annual Debt Service Requirements on the Outstanding
Road Bonds and the Series 2020 Road Refunding Bonds (2020-2040)....................................... $282,266

Maximum Annual Debt Service Requirement on the Outstanding
Road Bonds and the Series 2020 Road Refunding Bonds (2025) $347,481

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SELECTED FINANCIAL INFORMATION

2019 Assessed Valuation	$	580,415,795 (a)
(100% of market value as of January 1, 2019) See "SELECTED FINANCIAL INFORMATION" and "TAXING PROCEDURES."		
2020 Preliminary Value	$	665,392,086
Direct Debt:		
The Outstanding Bonds	$	22,005,000 (b)
Less: The Refunded Bonds		(9,995,000)
The Bonds		10,590,000
Total	$	22,600,000
Estimated Overlapping Debt	$	27,489,764
Total Direct and Estimated Overlapping Debt	$	50,089,764
Direct Debt Ratios:		
As a percentage of 2019 Assessed Valuation		3.89 %
Direct and Estimated Overlapping Debt Ratios:		
As a percentage of 2019 Assessed Valuation		8.63 %

(a) Certified Taxable Assessed Value within the District as provided by the Galveston Central Appraisal District (the "Appraisal District"). No values are included for the portion of the District located in Harris County because only a very small part of the District is located in Harris County and no development is planned for such portion of the District

(b) As of April 1, 2020.

Total Outstanding Bonds

Date of Issue	Series	Original Amount	Amount Outstanding as of Delivery of the Bonds
11/01/2010	2010	$ 6,740,000	$ 315,000
11/01/2010	2010A(a)	1,815,000	130,000
09/01/2012	2012A	3,110,000	0
04/01/2013	2013(a)	1,390,000	845,000
11/01/2013	2013	1,270,000	1,135,000
10/01/2014	2014(a)	2,235,000	1,970,000
08/01/2015	2015	5,655,000	4,625,000
07/01/2016	2016	3,335,000	2,990,000
06/01/2020	2020(b)	9,040,000	9,040,000
06/01/2020	2020(a)(b)	1,550,000	1,550,000
		$36,140,000	$22,600,000

(a) Road Bonds.
(b) The Bonds.

Cash and Investment Balances

(Unaudited as of April 1, 2020)		
General Fund	Cash and Temporary Investments	$ 1,453,424
System Debt Service Fund (a)	Cash and Temporary Investments	1,690,571
Roads Debt Service Fund (a)	Cash and Temporary Investments	505,467
System Capital Projects Fund	Cash and Temporary Investments	929,257
Roads Capital Projects Fund	Cash and Temporary Investments	175,395

(a) Neither Texas law nor the Bond Resolutions require that the District maintain any particular sum in the debt service funds.

Estimated Direct and Overlapping Debt Statement

Other governmental entities whose boundaries overlap the District have outstanding bonds payable from ad valorem taxes. The following statement of direct and estimated overlapping ad valorem tax debt was developed from several sources, including information contained in the "Texas Municipal Report," published by the Municipal Advisory Council of Texas. Except for the amount relating to the District, the District has not independently verified the accuracy or completeness of such information, and no person is entitled to rely upon such information as being accurate or complete. Furthermore, certain of the entities listed below may have issued additional bonds since the dates stated in this table, and such entities may have programs requiring the issuance of substantial amounts of additional bonds, the amount of which cannot presently be determined. Political subdivisions overlapping the District are authorized by Texas law to levy and collect ad valorem taxes for operation, maintenance and/or general revenue purposes in addition to taxes of debt service, and the tax burden for operation, maintenance and/or general purposes is not included in these figures.

Taxing Jurisdiction(a)	Outstanding Debt as of March 31, 2020	Estimated Overlapping Percent	Estimated Overlapping Amount
Galveston County	$ 229,269,447	1.89%	$ 4,336,277
Friendswood Independent School District	85,170,000	17.90%	15,242,033
City of Friendswood	50,275,000	15.73%	7,910,125
Harris County	1,885,182,125	(c)	0
Harris County Department of Education	6,320,000	(c)	0
Harris County Flood Control District	83,075,000	(c)	0
Harris County Hospital District	55,005,000	(c)	0
Harris County Toll Road (b)	220,305,000	(c)	0
Port of Houston Authority	572,569,397	(c)	0
Total Estimated Overlapping Debt			$ 27,489,764
The District			$ 22,600,000 (d)
Total Direct & Estimated Overlapping Debt			$ 50,089,764 (d)

(a) Taxing jurisdiction with outstanding debt.
(b) Debt is considered self-supported.
(c) Less than 0.01%.
(d) Includes the Bonds and excludes the Refunded Bonds.

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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 "SELECTED FINANCIAL INFORMATION - 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 2019 taxes levied by such jurisdictions per $100 of assessed valuation. Such levies do not include local assessments for community associations, fire department contributions, charges for solid waste disposal, or any other charges made by entities other than political subdivisions.

Taxing Jurisdiction	2019 Tax Rate
The District	$0.450000
City of Friendswood	0.521439
Galveston County (a) (b)	0.516137
Galveston County Consolidated Drainage District	0.112200
Friendswood Independent School District	1.259400
Total Tax Rate	$2.859176

(a) Includes $0.005753 for Galveston County Road and Flood.
(b) No information is included for Harris County because the portion of the District located in Harris County is very small and no development is planned for such portion.

Assessed Valuation Summary

The following represents the type of property comprising the 2015-2019 tax rolls:

Type of Property	2019 Assessed Valuation	2018 Assessed Valuation	2017 Assessed Valuation	2016 Assessed Valuation	2015 Assessed Valuation
Land	$ 97,894,328	$ 94,242,239	$ 85,885,149	$ 74,501,804	$ 65,653,099
Improvements	492,160,412	431,798,512	375,457,307	324,380,912	278,899,996
Personal Property	1,000,520	1,041,320	766,671	860,694	559,883
Exemptions	(10,667,525)	(6,787,032)	(4,718,158)	(5,841,443)	(14,743,225)
Total	$580,415,795	$520,295,039	$457,390,969	$393,901,967	$330,369,753

Historical Tax Collections

Tax Year	Assessed Valuation	Tax Rate/ $100 (a)	Adjusted Levy	Current Collections	%	Total Collections (b)	%	Fiscal Year Ended
2014	$254,418,571	$0.65	$ 1,653,284	$1,644,119	99.45%	$1,658,524	100.32%	7-30-15
2015	330,369,753	0.65	2,152,044	2,145,201	99.68%	2,158,839	100.32%	7-30-16
2016	393,901,967	0.55	2,169,621	2,152,542	99.21%	2,175,415	100.27%	7-30-17
2017	457,390,969	0.50	2,286,805	2,278,105	99.62%	2,291,041	100.19%	7-30-18
2018	520,295,039	0.45	2,341,328	2,333,124	99.65%	2,341,825	100.02%	7-30-19
2019	580,415,795	0.45	2,611,871	2,541,359	97.30%	2,549,694	97.62%	7-30-20

(a) See "Tax Rate Distribution."
(b) Collections through March 31, 2020.

Tax Rate Distribution

	2019	2018	2017	2016	2015
System Debt Service (a)	$0.245	$0.28	$0.31	$0.36	$0.39
Roads Debt Service (a)	0.065	0.07	0.08	0.10	0.11
Maintenance & Operations	0.140	0.10	0.11	0.09	0.15
	$0.450	$0.45	$0.50	$0.55	$0.65

(a) The District is authorized to levy separate debt service taxes for road debt and water and sewer debt, both of which are unlimited as to rate or amount. See "THE BONDS-Authority for Issuance."

Tax Rate Limitation

Debt Service: Unlimited (no legal limit as to rate or amount).
Maintenance: $0.65 per $100 Assessed Valuation.

Maintenance Tax

The Board of Directors of the District has the statutory authority to levy and collect an annual ad valorem tax for planning, maintaining, repairing and operating of the District's improvements, if such maintenance tax is authorized by a vote of the District's electors. Such tax is in addition to taxes which the District is authorized to levy for paying principal of and interest on the Bonds and any tax bonds which may be issued in the future. An election was held within the District on November 8, 2005, which authorized the levy of a maintenance tax not to exceed $0.65/$100 assessed valuation. The District levied a maintenance tax of $0.14 per $100 of assessed valuation for tax year 2019

Additional Penalties

The District has contracted with a delinquent tax attorney to collect certain delinquent taxes. In connection with that contract, the District can establish an additional penalty of twenty percent (20%) of the tax to defray the costs of collection. This 20% penalty applies to taxes that either: (I) become delinquent on or after February I of a year, but not later than May 1 of that year, and that remain delinquent on April I (for personal property) and July I (for real property) of the year in which they become delinquent or (2) become delinquent on or after June I, pursuant to the Texas Tax Code.

Principal Taxpayers

The following are the principal taxpayers in the District as shown on the District's certified appraisal rolls for the 2019 tax year.

Taxpayer	Type of Property	Assessed Valuation 2019 Tax Roll
Autumn Creek Dev LTD (a)	Land and Improvements	$ 2,024,330
Partners in Building LP	Land and Improvements	1,914,700
Homeowner	Land and Improvements	1,290,390
Homeowner	Land and Improvements	1,199,400
Homeowner	Land and Improvements	1,130,000
Homeowner	Land and Improvements	1,036,000
Homeowner	Land and Improvements	1,013,800
Homeowner	Land and Improvements	1,000,170
Homeowner	Land and Improvements	995,240
Homeowner	Land and Improvements	989,150
Total		$14,381,670
% of Respective Tax Roll		2.17%

(a) See "THE DEVELOPER."

Tax Adequacy for Debt Service

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 on Remaining Outstanding Bonds and the Bonds if no growth in the District's tax base occurs beyond the 2019 Certified Assessed Valuation ($580,415,795) and the 2020 Preliminary Value ($665,392,086). The calculations assume collection of 95% of taxes levied and exclude any debt service funds.

Average Annual Debt Service Requirements (2020-2040)	$1,419,738
Tax Rate of $0.26 on the 2019 Certified Assessed Valuation produces	$1,433,627
Tax Rate of $0.23 on the 2020 Preliminary Value produces	$1,453,882
Maximum Annual Debt Service Requirement (2028)	$1,664,281
Tax Rate of $0.31 on the 2019 Certified Assessed Valuation produces	$1,709,325
Tax Rate of $0.27 on the 2020 Preliminary Value produces	$1,706,731

System Debt Service Fund

System Debt Service Requirements for year ending 2020		$1,252,545 (a)
System Debt Service Fund Balance (as of November 6, 2019)	$ 782,050	
2019 System Debt Service Tax Levy @ 95% collections produces	1,350,918 (b)	$2,132,968

(a) Includes the Series 2020 System Refunding Bonds and excludes the System Refunded Bonds.
(b) Utilizing the 2019 Certified Assessed Valuation and the 2019 System Debt Service Tax Rate of $0.245/$100 A.V.

Road Debt Service Fund

Road Debt Service Requirements for year ending 2020		$ 329,821 (a)
Road Debt Service Fund Balance (as of November 6, 2019)	$227,591	
2019 Road Debt Service Tax Levy @ 95% collections produces	358,407 (b)	$ 585,998

(a) Includes the Series 2020 Road Bonds and excludes the Road Refunded Bonds.
(b) Utilizing the 2019 Certified Assessed Valuation and the 2019 Road Debt Service Tax Rate of $0.065/$100 A.V.

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TAXING PROCEDURES

Authority to Levy Taxes

The Board is authorized to levy an annual ad valorem tax on all taxable property within the District in an amount sufficient to pay the principal of and interest on the Bonds, the Remaining Outstanding Bonds, and any additional bonds payable from taxes which the District may hereafter issue (see "INVESTMENT CONSIDERATIONS – Future Debt"), and to pay the expenses of assessing and collecting such taxes. The District agrees in the Bond Resolutions to levy such a tax from year to year as described more fully above under "THE BONDS – Source of Payment." Under Texas law, the Board is also authorized to levy and collect an annual ad valorem tax for the operation and maintenance of the District's water and wastewater system and road system and for the payment of certain contractual obligations if authorized by its voters. See "SELECTED FINANCIAL INFORMATION – Tax Rate Limitation."

Property Tax Code and County-wide Appraisal District

Title 1 of the Texas Tax Code (the "Property Tax Code") specifies the taxing procedures of all political subdivisions of the State of Texas, including the District. Provisions of the Property Tax Code are complex and are not fully summarized herein.

The Property Tax Code requires, among other matters, county-wide appraisal and equalization of taxable property values and establishes in each county of the State of Texas an appraisal district with the responsibility for recording and appraising property for all taxing units within a county and an appraisal review board with responsibility for reviewing and equalizing the values established by the appraisal district. The Galveston Central Appraisal District (the "Appraisal District") has the responsibility of appraising property for all taxing units within the County, including the District. Such appraisal values are subject to review and change by the Galveston Central Appraisal Review Board (the "Appraisal Review Board"). The appraisal roll, as approved by the Appraisal Review Board, must be used by the District in establishing its tax rolls and tax rate.

Property Subject to Taxation by the District

General: Except for certain exemptions provided by Texas law, all real property, tangible personal property held or used for the production of income, mobile homes, and certain categories of intangible personal property with a tax situs in the District are subject to taxation by the District. Principal categories of exempt property include, but are not limited to: 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; certain household goods, family supplies and personal effects; certain goods, wares, and merchandise in transit; certain farm products owned by the producer; certain property of charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; travel trailers; and most individually owned automobiles. In addition, the District may by its own action exempt residential homesteads of persons 65 years of age or older and certain disabled persons, to the extent deemed advisable by the Board of Directors of the District. The District may be required to offer such exemptions if a majority of voters approve the same at an election. The District would be required to call an election upon petition by twenty percent (20%) of the number of qualified voters who voted in the preceding election. The District 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. Furthermore, the District must grant exemptions to disabled veterans or certain surviving dependents of disabled veterans, if requested, but only to the maximum extent of between $5,000 and $12,000 depending upon the disability rating of the veteran claiming the exemption. A veteran who receives a disability rating of 100% is entitled to an exemption of full value of the veteran's residential homestead. Furthermore, qualifying surviving spouses of persons 65 years of age and older are entitled to receive a resident homestead exemption equal to the exemption received by the deceased spouse, and surviving spouses of a deceased veteran who had received a disability rating of 100% are entitled to receive a residential homestead exemption equal to the exemption received by the deceased spouse until such surviving spouse remarries.

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 the residence homestead was donated by a charitable organization. This exemption also applies to a residence homestead that was donated by a charitable organization at some cost to such veterans. Also, the surviving spouse of a member of the armed forces 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.

The surviving spouse of a first responder who is killed or fatally injured in the line of duty is entitled to an exemption of the total appraised value of the surviving spouse's residence homestead if the surviving spouse has not remarried since the first responder's death, and said property was the first responder's residence homestead at the time of death. Such exemption would be transferred to a subsequent residence homestead of the surviving spouse, if the surviving spouse has not remarried, in an amount equal to the exemption received on the prior residence in the last year in which such exemption was received.

The District has not granted an exemption for residents who are disabled or 65 and older for the 2020 tax year.

Residential Homestead Exemptions: The Property Tax Code authorizes the governing body of each political subdivision in Texas to exempt up to twenty percent (20%) of the appraised market value of residential homesteads from ad valorem taxation. Where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged if the cessation of the levy would impair the obligations of the contract by which the debt was created. The adoption of a homestead exemption may be considered each year, but must be adopted by April 30. The District does not grant a residential homestead exemption at this time.

Freeport Goods Exemption: 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 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 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 for all prior and subsequent years.

Valuation of Property for Taxation

Generally, property in the District must be appraised by the Appraisal District at market value as of January 1 of each year. Once an appraisal roll is prepared and formally approved by the Appraisal Review Board, it is used by the District in establishing its tax rolls and tax rate. Assessments under the Property Tax Code are to be based on one hundred percent (100%) of market value, as such is defined in the Property Tax Code. Nevertheless, certain land may be appraised at less than market value, as such is defined in the Property Tax Code. The Texas Constitution limits increases in the appraised value of residence homesteads to 10 percent annually regardless of the market value of the property.

The Property Tax Code permits land designated for agricultural use, open space 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. The Property Tax Code permits, under certain circumstances, that residential real property inventory held by a person in the trade or business be valued at the price all of such property would bring if sold as a unit to a purchaser who would continue the business. Provisions of the Property Tax Code are complex and are not fully summarized here. Landowners wishing to avail themselves of the agricultural use, open space or timberland designation or residential real property inventory designation must apply for the designation and the appraiser is required by the Property Tax Code to act on each claimant's right to the designation individually. A claimant may waive the special valuation as to taxation by one political subdivision while claiming it for another. If a claimant receives the agricultural use 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 taxes for the previous three years for agricultural use and taxes for the previous five years for open space land and timberland.

The Property Tax Code requires the Appraisal District to implement a plan for periodic reappraisal of property to update appraisal values. The plan must provide for appraisal of all property in the Appraisal District at least once every three years. It is not known what frequency of reappraisals will be utilized by the Appraisal District or whether reappraisals will be conducted on a zone or county-wide basis. The District, however, at its expense, has the right to obtain from the Appraisal District a current estimate of appraised values within the District or an estimate of any new property or improvements within the District. While such current estimate of appraised values may serve to indicate the rate and extent of growth of taxable values within the District, it cannot be used for establishing a tax rate within the District until such time as the Appraisal District chooses to formally include such values on its appraisal roll.

The Property Tax Code provides for a temporary exemption from ad valorem taxation of a portion of the appraised value of certain property that is at least 15% damaged by a disaster and located within an area declared to be a disaster area by the governor of the State of Texas. This temporary exemption is automatic if the disaster is declared prior to a taxing unit, such as the District, adopting its tax rate for the tax year. A taxing unit, such as the District, may authorize the exemption at its discretion if the disaster is declared after the taxing unit has adopted its tax rate for the tax year. The amount of the exemption is based on the percentage of damage and is prorated based on the date of the disaster. Upon receipt of an application submitted within the eligible timeframe by a person who qualifies for a temporary exemption under the Property Tax Code, the Appraisal District is required to complete a damage assessment and assign a damage assessment rating to determine the amount of the exemption. The temporary exemption amounts established in the Property Tax Code range from 15% for property less than 30% damaged to 100% for property that is a total loss. Any such temporary exemption granted for disaster-damaged property expires on January 1 of the first year in which the property is reappraised.

Tax Payment Installments after Disaster

Certain qualified taxpayers, including owners of residential homesteads, located within a natural disaster area and whose property has been damaged as a direct result of the disaster are entitled to enter into a tax payment installment agreement with a taxing jurisdiction such as the District if the taxpayer pays at least one-fourth of the tax bill imposed on the property by the delinquency date. The remaining taxes may be paid without penalty or interest in three equal installments within six months of the delinquency date.

District and Taxpayer Remedies

Under certain circumstances, taxpayers and taxing units (such as the District) may appeal the orders of the Appraisal Review Board by filing a timely petition for review in the Texas district court. 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 the Appraisal District to compel compliance with the Property Tax Code.

The Property Tax Code sets forth notice and hearing procedures for certain tax rate increases by the District and provides for taxpayer referenda which could result in the repeal of certain tax increases. The Property Tax Code also 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.

Levy and Collection of Taxes

The District is responsible for the levy and collection of its taxes unless it elects to transfer such functions to another governmental entity. The rate of taxation is set by the Board of Directors, after the legally required notice has been given to owners of property within the District, based upon: a) the valuation of property within the District as of the preceding January 1, and b) the amount required to be raised for debt service, maintenance purposes, and authorized contractual obligations. Taxes are due October 1, or when billed, whichever comes later, and become delinquent if not paid before February 1 of the year following the year in which imposed. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%) regardless of the number of months the tax has been delinquent and incurs an additional penalty for collection costs of an amount established by the District and a delinquent tax attorney. A delinquent tax on personal property incurs an additional penalty, in an amount established by the District and a delinquent tax attorney, 60 days after the date the taxes become delinquent. The delinquent tax accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code makes provisions for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes under certain circumstances which, at the option of the District, may be rejected by taxing units. The District's tax collector is required to enter into an installment payment agreement with any person who is delinquent on the payment of tax on a residence homestead for payment of tax, penalties and interest, if the person requests an installment agreement and has not entered into an installment agreement with the collector in the preceding 24 months. The installment agreement must provide for payments to be made in monthly installments and must extend for a period of at least 12 months and no more than 36 months. Additionally, the owner of a residential homestead property who is (i) sixty-five (65) years of age or older, (ii) disabled, or (iii) a disabled veteran, is entitled by law to pay current taxes on a residential homestead in installments without penalty or to defer the payment of taxes during the time of ownership. In the instance of tax deferral, a tax lien remains on the property and interest continue to accrue during the period of deferral.

Rollback of Operation and Maintenance Tax Rate

During the 86th Regular Legislative Session, Senate Bill 2 ("SB 2") was passed and signed by the Governor of Texas (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 than1.08 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 than1.035 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 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 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.

District’s Rights in the Event of Tax Delinquencies

Taxes levied by the District are a personal obligation of the owner of the property as of January 1 of the year in 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 on the property. The lien exists in favor of the State of Texas and each taxing unit, including the District, having the power to tax the property. The District’s tax lien is on a parity with the tax liens of other such taxing units. A tax lien on real property takes priority over the claims of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien; however, 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 federal law. Personal property, under certain circumstances, is subject to seizure and sale for the payment of delinquent taxes, penalty and interest.

At any time after taxes on property become delinquent, the District may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. However, the District is required to enter into a payment plan agreement upon the request of a taxpayer on residential homestead. Such agreement must be in writing, provide for monthly payments of the taxes due over a period of time from 12 – 36 months. A taxpayer may only request a payment plan if they have not previously entered into such an agreement in the preceding 24 months. 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 be adversely affected by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, by taxpayer redemption rights or by bankruptcy proceedings which restrict the collection of taxpayer debts. A taxpayer may redeem property within six (6) months for commercial property and two (2) years for residential and other types of property after the purchaser’s deed at the foreclosure sale is filed in the county records.

Regulation

According to the District’s Engineer, BGE, Inc. (“BGE” or “Engineer”), the District’s water distribution, wastewater collection and drainage facilities (the “System”) have been designed in accordance with accepted engineering practices and the requirements of all governmental agencies having regulatory or supervisory jurisdiction over the construction and operation of such facilities including, among others, the Commission, the City of Friendswood, Galveston County and Harris County. According to the District’s Engineer, the design of all such facilities has been approved by all required governmental agencies, and the construction has been inspected by the Commission.

Ownership and operation of District-constructed waterworks and sewage treatment facilities within the District is by the City, and is subject to regulation by, among others, the United States Environmental Protection Agency and the Commission. In many cases, regulations promulgated by these agencies have become effective only recently and are subject to further development and revisions.

Water System

Water supply for District customers is provided by the City, pursuant to Utility Services Contract. Pursuant to the contract, the City will provide water capacity for 3,790 ESFCs within the District. The City's water supply is 12 MGD of capacity in the City of Houston's 200 MGD Southeast Water Purification Plant (CHSWPP) pursuant to cost sharing agreement, as amended, dated August 21, 2007. The available water supply is capable of serving 3,790 ESFCs, which is sufficient to serve the District. See "UTILITY AGREEMENT BETWEEN THE DISTRICT AND THE CITY OF FRIENDSWOOD."

Wastewater System

Wastewater treatment capacity for the District is provided by the City of Friendswood in the shared 9.25 MGD Blackhawk Regional Wastewater Treatment Plant ("BRWWTP") operated by Gulf Coast Waste Disposal Authority pursuant to Utility Service contract. TPDES Permit No. WQ0011571001 authorizes the plant to discharge 9.25 MGD. Pursuant to the contract, the City will provide wastewater capacity for 3,790 ESFCs, which is sufficient to serve the District. See "UTILITY AGREEMENT BETWEEN THE DISTRICT AND THE CITY OF FRIENDSWOOD."

Storm Water Drainage

The District operates and maintains detention facilities within its boundaries. Storm drainage within the District is provided by an internal collection network which outfalls into multiple detention ponds within the District and Chigger Creek tributaries which eventually flows into Clear Creek.

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Historical Operating Fund (a)

The following is a summary of the District's Operating Fund for the last 5 years. The figures for the fiscal years ending July 31, 2015 through July 31, 2019, were obtained from the District's annual financial reports, reference to which is hereby made. The District is required by statute to have a certified public accountant prepare and file an annual audit of its financial records with the TCEQ.

	Fiscal Year Ended July 31				
	2019	2018	2017	2016	2015
REVENUES:					
Property taxes	$520,386	$502,685	$357,386	$498,321	$410,267
Penalty and interest	-	-	-	-	-
Investment earnings	26,401	5,000	2,330	1,546	1,229
Other income	-	-	-	-	-
TOTAL REVENUES	$546,787	$507,685	$359,716	$499,867	$411,496
EXPENDITURES:					
Professional fees	$72,741	$90,011	$120,964	$105,046	$78,927
Contracted services	11,025	11,513	10,800	11,550	10,875
Repairs and maintenance	85,369	72,776	74,367	66,512	38,835
Other operating expenditures	20,634	7,214	7,474	6,726	6,211
Capital Outlay	156,396	30,126	-	-	78,509
TOTAL EXPENDITURES	$346,165	$211,640	$213,605	$189,834	$213,357
Excess Revenue (Expenditures)	$200,622	$296,045	$146,111	$310,033	$198,139

(a) Because the City of Friendswood provides water and sewer services to the District, the District's Operating Fund is used primarily for administrative expenses of the District.

DISTRICT BONDS AUTHORIZED BUT UNISSUED

Date of Issued Authorization	Purpose	Authorized	Issued to Date	Amount Unissued
November 8, 2005	District Improvements	$29,750,000	$25,975,000	$ 3,775,000
November 8, 2005	Refunding	$17,850,000	$ 595,000 (a)	$ 17,255,000

(a) Includes the Bonds.

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INVESTMENT CONSIDERATIONS

General

The Bonds, which are obligations of the District and are not obligations of the State of Texas; the County; the City; or any political subdivision, will be secured by two separate continuing direct annual ad valorem taxes, each levied without legal limitation as to rate or amount, on all 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 on the ability of the District to collect from the property owners within the District all taxes levied against the property, or in the event of foreclosure, on the value of the taxable property with respect to taxes levied by the District and by other taxing authorities. The collection by the District of delinquent taxes owed to it and the enforcement by the registered owners of the District's obligations to collect sufficient taxes may be a costly and lengthy process. Furthermore, the District cannot and does not make any representations that continued development of property within the District will accumulate or maintain taxable values sufficient to justify continued payment by property owners or that there will be a market for the property. See "Bankruptcy Limitation to Registered Owners' Rights" below.

Economic Factors: The rate of development within the District is directly related to the vitality of the single-family housing industry in the Houston metropolitan area. New single-family housing construction can be significantly affected by factors such as interest rates, construction costs, and consumer demand. Decreased levels of such construction activity would restrict the growth of property values in the District. The District cannot predict the pace or magnitude of any future development in the District. See "DEVELOPMENT WITHIN THE DISTRICT."

Competition: The demand for and construction of taxable improvements in the District could be affected by competition from other developments near the District. In addition to competition for new single-family home sales from other developments, there are numerous previously-owned single-family homes in more established commercial centers and neighborhoods closer to Houston that are for sale. Such existing developments could represent additional competition for new development proposed to be constructed within the District.

The competitive position of the Developer in the sale of the land, and the sale or leasing of residences is affected by most of the factors discussed in this section. Such a competitive position is directly related to the growth and maintenance of taxable values in the District and tax revenues to be received by the District. The District can give no assurance that building and marketing programs in the District by the Developer will be implemented or, if implemented, will be successful.

Developer Under No Obligation to the District: There is no commitment by or legal requirement of the Developer, or any other landowner to the District to proceed at any particular rate or according to any specified plan with the development of land in the District, or of any homebuilder to proceed at any particular pace with the construction of homes in the District. While the Developer, in most cases, retains the right to repurchase land from buyers who fail to commence construction of buildings within 18 months of purchasing the land, there is no commitment or legal requirement of the Developer to make such repurchase in order to facilitate and encourage timely construction of buildings in the District. Therefore, the District can make no representation about the probability of future development, if any, or the rate of future construction activity in the District. Failure to construct taxable improvements would restrict the rate of growth of taxable values in the District and result in higher tax rates. See "THE DEVELOPER" and "DEVELOPMENT WITHIN THE DISTRICT."

Impact on District Tax Rates: Assuming no further development or home construction, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of property owners to pay their taxes. The 2019 Certified Assessed Valuation of property located within the District (see "SELECTED FINANCIAL INFORMATION") is $580,415,795. The 2020 Preliminary Value of the property located within the District (see "SELECTED FINANCIAL INFORMATION") is $665,392,086. After issuance of the Bonds, the maximum annual debt service requirement on the Remaining Outstanding Bonds and the Bonds will be $1,664,281 (2028) and the average annual debt service requirements will be $1,419,738 (2020-2040, inclusive). Assuming no increase to nor decrease from the 2019 Certified Assessed Valuation, tax rates of $0.31 and $0.26 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, respectively. Assuming no increase to nor decrease from the 2020 Preliminary Value, tax rates of $0.27 and $0.23 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, respectively. The District can make no representation that the taxable property values in the District will increase in the future or will maintain a value sufficient to support the proposed District tax rate or to justify continued payment of taxes by property owners.

Increases in the District's tax rate to rates substantially higher than the levels discussed above may have an adverse impact upon future development of the District, the sale and construction of homes within the District, and 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.

Infectious Disease Outlook (COVID-19)

The World Health Organization has declared a pandemic following the outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus (the "Pandemic"), which is currently affecting many parts of the world, including the United States and Texas. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States in connection with COVID-19. On March 13, 2020, the President of the United States (the "President") declared the Pandemic a national emergency and the Texas Governor (the "Governor") declared COVID-19 an imminent threat of disaster for all counties in Texas (collectively, the "disaster declarations"). On March 25, 2020, in response to a request from the Governor, the President issued a Major Disaster Declaration for the State of Texas.

Pursuant to Chapter 418 of the Texas Government Code, the Governor has broad authority to respond to disasters, including suspending any regulatory statute prescribing the procedures for conducting state business or any order or rule of a state agency that would in any way prevent, hinder, or delay necessary action in coping with this disaster and issuing executive orders that have the force and effect of law. The Governor has issued a number of executive orders relating to COVID-19 preparedness and mitigation. These include, for example, the issuance of an Executive Order on April 27, 2020, which, among other things, permits the opening of only certain previously closed businesses (including retail establishments, dine-in restaurants, movie theaters, shopping malls, museums and libraries) but limits such businesses to 25% of their total listed occupancy. Many of the federal, state and local actions and policies under the aforementioned disaster declarations are focused on limiting instances where the public can congregate or interact with each other, which affects economic growth within Texas.

Since the disaster declarations were made, the Pandemic has negatively affected travel, commerce, and financial markets locally and globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide and within Texas. Stock values and crude oil prices, in the U.S. and globally, have seen significant declines attributed to COVID-19 concerns. Texas may be particularly at risk from any global slowdown, given the prevalence of international trade in the state and the risk of contraction in the oil and gas industry and spillover effects into other industries.

Such adverse economic conditions, if they continue, could result in declines in the demand for residential and commercial property in the Houston area and could reduce or negatively affect property values or homebuilding activity within the District. The Bonds are secured by an unlimited ad valorem tax, and a reduction in property values may require an increase in the ad valorem tax rate required to pay the Bonds as well as the District's share of operations and maintenance expenses payable from ad valorem taxes.

The District continues to monitor the spread of COVID-19 and follow the directives of local, state, and national agencies to address the potential impact of COVID-19 upon the District. While the potential impact of COVID-19 on the District cannot be quantified at this time, the continued outbreak of COVID-19 could have an adverse effect on the District's operations and financial condition. The financial and operating data contained herein are the latest available, but are as of dates and for periods prior to the economic impact of the Pandemic and measures instituted to slow it. Accordingly, they are not indicative of the economic impact of the Pandemic on the District's financial condition.

Hurricane Harvey

The Texas Gulf Coast, including Galveston County and Harris County, sustained widespread rain damage and flooding as a result of Hurricane Harvey's landfall along the Texas Gulf Coast on August 25, 2017, and historic levels of rainfall during the succeeding four days.

According to the City, there was no interruption of water and sewer service as a result of Hurricane Harvey. To the knowledge of the District, no homes within the District experienced structural flooding or other material damage as a result of Hurricane Harvey.

The District cannot predict the effect that additional extreme weather events may have upon the District and the Texas Gulf Coast. Additional extreme weather events have the potential to cause damage within the District and along the Texas Gulf Coast generally that could have a negative effect on taxable assessed valuations in the District and the economy of the District and the region. See "TAXING PROCEDURES – Valuation of Property for Taxation."

Potential Effects of Oil Price Declines on the Houston Area

The recent declines in oil prices in the U.S. and globally, which at times have led to the lowest such prices in three decades, may lead to adverse conditions in the oil and gas industry, including but not limited to reduced revenues, declines in capital and operating expenditures, business failures, and layoffs of workers. The economy of the Houston area has, in the past, been particularly affected by adverse conditions in the oil and gas industry, and such conditions and their spillover effects into other industries could result in declines in the demand for residential and commercial property in the Houston area and could reduce or negatively affect property values or homebuilding activity within the District. As previously stated, the Bonds are secured by an unlimited ad valorem tax, and a reduction in property values may require an increase in the ad valorem tax rate required to pay the Bonds as well as the District's share of operations and maintenance expenses payable from ad valorem taxes.

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 state and local 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 (a) cumbersome, time-consuming and expensive collection procedures, (b) a bankruptcy court's stay of tax collection procedures against a taxpayer, (c) market conditions limiting the proceeds from a foreclosure sale of taxable property or (d) the taxpayer's right to redeem the property within six (6) months for commercial property and two (2) years for residential and all other property after the purchaser's deed issued at the foreclosure sale is filed in the county records. While the District has a lien on taxable property within the District for taxes levied against such property, such lien can be foreclosed only in a judicial proceeding. Attorney's fees and other costs of collecting any such taxpayer's delinquencies could substantially reduce the net proceeds to the District from a tax foreclosure sale. Finally, any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within the District pursuant to the Federal Bankruptcy Code could stay any attempt by the District to collect delinquent ad valorem taxes against such taxpayer. In addition to the automatic stay against collection of delinquent taxes afforded a taxpayer during the pendency of a bankruptcy, a bankruptcy could affect payment of taxes in two (2) other ways: first, a debtor's confirmation plan may allow a debtor to make installment payments on delinquent taxes for up to six (6) years; and, second, a debtor may challenge, and a bankruptcy court may reduce, the amount of any taxes assessed against the debtor, including taxes that have already been paid.

Limitation to Registered Owners' Remedies

In the event of default in the payment of principal of or interest on the Bonds, the Registered Owners have the 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 Resolutions does not specifically provide for remedies to protect and enforce the interest 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. Although the Registered Owners could obtain a judgment against the District, such a judgment could not be enforced by direct levy and execution against the District's property. Further, the Registered Owners could not themselves foreclose on property within the District or sell property within the District in order to pay the principal of and interest on the Bonds.

Bankruptcy Limitation to Registered Owners' Rights

The enforceability of the rights and remedies of Registered Owners of the Bonds 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 discussed below, a political subdivision such as the District may voluntarily file a petition for relief from creditors under Chapter 9 of the U.S. Bankruptcy Code, 11 USC sections 901–946. The filing of such petition would automatically stay the enforcement of Registered Owners' remedies, including mandamus and the foreclosure of tax liens upon property within the District discussed above. The automatic stay would remain in effect until the federal bankruptcy judge hearing the case dismisses the petition, enters an order granting relief from the stay or otherwise allows creditors to proceed against the petitioning political subdivision. A political subdivision, such as the District, may qualify as a debtor eligible to proceed in a Chapter 9 case only if it (1) is generally authorized to file for federal bankruptcy protection by applicable 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 has negotiated in good faith with its creditors or is unable to negotiate with its creditors because negotiations are impracticable. Under Texas law, a municipal utility district, such as the District, must obtain the approval of the TCEQ as a condition to seeking relief under the U.S. Bankruptcy Code. The TCEQ is required to investigate the financial condition of a financially troubled district and authorize such district to proceed under federal bankruptcy law only if such district has fully exercised its rights and powers under Texas law and remains unable to meet its debts and other obligations as they mature.

Notwithstanding noncompliance by a district with Texas law requirements, a district could file a voluntary bankruptcy petition under Chapter 9, thereby involving the protection of the automatic stay until the bankruptcy court, after a hearing, dismisses the petition. A federal bankruptcy court is a court of equity and federal bankruptcy judges have considerable discretion in the conduct of bankruptcy proceedings and in determining the decision of whether to grant the petitioning district relief from its creditors. While such a decision might be applicable, the concomitant delay and loss of remedies to the Registered Owners could potentially and adversely impair the value of the Registered Owners' claims.

If a petitioning district were allowed to proceed voluntarily under Chapter 9 of the U.S. Bankruptcy Code, it could file a plan for an adjustment of its debts. 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 the Registered Owner's claim against a district.

A district cannot be placed into bankruptcy involuntarily.

Environmental Regulations

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. The District has applied for coverage under the MS4 Permit and is awaiting final approval from the TCEQ. In order to maintain compliance with the MS4 Permit, the District continues to develop, implement, and maintain the required plans, as well as to install or implement best management practices to minimize or eliminate unauthorized pollutants that may otherwise be found in stormwater runoff. Costs associated with these compliance activities could be substantial in the future.

Operations of utility districts, including the District, are also potentially subject to requirements and restrictions under the CWA regarding the use and alteration of wetland areas that are within the "waters of the United States." The District must obtain a permit from the United States Army Corps of Engineers ("USACE") if operations of the District require that wetlands be filled, dredged, or otherwise altered.

In 2015, the EPA and 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 expanded the scope of the federal government's CWA jurisdiction over intrastate water bodies and wetlands. The CWR was challenged in numerous jurisdictions, including the Southern District of Texas, causing significant uncertainty regarding the ultimate scope of "waters of the United States" and the extent of EPA and USACE jurisdiction.

On September 12, 2019, the EPA and USACE finalized a rule repealing the CWR, thus reinstating the regulatory text that existed prior to the adoption of the CWR. This repeal officially became final on December 23, 2019, but the repeal has itself become the subject of litigation in multiple jurisdictions.

On January 23, 2020, the EPA and USACE released the Navigable Waters Protection Rule ("NWPR"), which contains a new definition of "waters of the United States." The stated purpose of the NWPR is to restore and maintain the integrity of the nation's waters by maintaining federal authority over the waters Congress has determined should be regulated by the federal government, while preserving the states' primary authority over land and water resources. The new definition outlines four categories of waters that are considered "waters of the United States," and thus federally regulated under the CWA: (i) territorial seas and traditional navigable waters; (ii) perennial and intermittent tributaries to territorial seas and traditional navigable waters; (iii) certain lakes, ponds, and impoundments of jurisdictional waters; and (iv) wetlands adjacent to jurisdictional waters. The new rule also identifies certain specific categories that are not "waters of the United States," and therefore not federally regulated under the CWA: (a) groundwater; (b) ephemeral features that flow only in direct response to precipitation; (c) diffuse stormwater runoff and directional sheet flow over upland; (d) certain ditches; (e) prior converted cropland; (f) certain artificially irrigated areas; (g) certain artificial lakes and ponds; (h) certain water-filled depressions and certain pits; (i) certain stormwater control features; (j) certain groundwater recharge, water reuse, and wastewater recycling structures; and (k) waste treatment systems. The EPA published the NWPR in the Federal Register on April 21, 2020. The NWPR will go into effect on June 22, 2020, and will likely become the subject of further litigation.

Due to ongoing rulemaking activity, as well as existing and possible future litigation, there remains 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 additional permitting requirements.

Potential Impact of Natural Disaster

The District is located approximately 30 miles from the Texas Gulf Coast and, as it has in the past, the District and surrounding areas could be impacted by wide-spread fires, or weather events such as hurricanes, tornadoes, tropical storms, or other severe weather events that could produce high winds, heavy rains, hail, and flooding. In the event that a natural disaster should damage or destroy improvements and personal property in the District, the assessed value of such taxable properties could be substantially reduced, resulting in a decrease in the taxable assessed value of the District or an increase in the District's tax rates.

There can be no assurance that a casualty will be covered by insurance (certain casualties, including flood, are usually excepted unless specific insurance is purchased), that any insurance company will fulfill its obligation to provide insurance proceeds, or that insurance proceeds will be used to rebuild, repair, or replace any taxable properties in the District that were damaged. Even if insurance proceeds are available and damaged properties are rebuilt, there could a lengthy period in which assessed values in the District would be adversely affected. There can be no assurance the District will not sustain damage from such natural disasters.

Marketability

The District has no understanding with the Underwriter regarding the reoffering yields or prices of the Bonds and has no control over the trading of the Bonds in the secondary market. Moreover, 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 difference between the bid and asked price of bonds of comparable maturity and quality issued by more traditional issuers as such bonds are more generally bought, sold or traded in the secondary market.

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 applicable bond insurance policy (the "Policy") for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Bonds by the issuer which is recovered by the issuer from the bond owner as a voidable preference under applicable bankruptcy law is covered by the insurance policy, however, such payments will be made by the provider of the Policy (the "Bond Insurer") at such time and in such amounts as would have been due absence such prepayment by the District unless the Bond Insurer chooses to pay such amounts at an earlier date.

Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of the Bond Insurer without appropriate consent. The Bond Insurer may direct and must consent to any remedies and the Bond Insurer's consent may be required in connection with amendments to any applicable bond documents.

In the event the Bond 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 Bond 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 Bond Insurer and its claim paying ability. The Bond 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 Bond Insurer and of the ratings on the Bonds insured by the Bond 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 "RATINGS."

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

Neither the District or Underwriter has made independent investigation into the claims paying ability of the Bond Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Bond 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 Bond Insurer, particularly over the life of the investment. See "MUNICIPAL BOND INSURANCE" for further information provided by the Bond Insurer and the Policy, which includes further instructions for obtaining current financial information concerning the Bond Insurer.

Continuing Compliance with Certain Covenants

Failure of the District to comply with such covenants contained in the Bond Resolutions on a continuing basis prior to the maturity of the Bonds could result in interest on the Bonds becoming taxable retroactively to the date of original issue. See "TAX MATTERS."

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.

Future Debt

The District has the right to issue the remaining $3,775,000 principal amount of authorized but unissued unlimited tax bonds for District Improvements (see "THE BONDS – Authority for Issuance") and such additional bonds as may hereafter be approved by both the Board and voters of the District. All of the remaining bonds described above which have heretofore been authorized by the voters of the District may be issued by the District from time to time as needed. The District also has the right to issue refunding bonds, bond anticipation notes and revenue bonds without voter approval. The District is also authorized to issue the remaining $17,255,000.00 authorized but unissued refunding bonds. If additional bonds are issued in the future and property values have not increased proportionately, such issuance might increase gross debt/property valuation ratios and thereby adversely affect the investment quality or security of the Bonds. See "THE BONDS - Issuance of Additional Debt."

The ability of the District to incur debt is further restricted by agreement with the City of Friendswood. See "UTILITY AGREEMENT BETWEEN THE DISTRICT AND THE CITY OF FRIENDSWOOD."

Approval of the Bonds

The Attorney General of Texas must approve the legality of the Bonds prior to their delivery. The Attorney General of Texas does not pass upon or guarantee the security of the Bonds as an investment, nor does he pass upon the adequacy or accuracy of the information contained in this Official Statement.

LEGAL MATTERS

Legal Opinions

Delivery of the Bonds will be accompanied by the approving legal opinion of the Attorney General of Texas to the effect that the Bonds are valid and legally binding obligations of the District under the Constitution and laws of the State of Texas payable from the proceeds of an annual ad valorem tax levied, without limit as to rate or amount, upon all taxable property within the District and based upon their examination of a transcript of certified proceedings relating to the issuance and sale of the Bonds; the approving legal opinion of Bond Counsel, to a like effect and to the effect that, under existing laws, interest on the Bonds is excludable from gross income for federal tax purposes and interest on the Bonds will not be subject to the alternative minimum tax on individuals.

Bond Counsel has reviewed the information appearing in this Official Statement under "THE BONDS," "PLAN OF FINANCING – Defeasance of the Refunded Bonds," "THE DISTRICT – General," "UTILITY AGREEMENT BETWEEN THE DISTRICT AND CITY OF FRIENDSWOOD," "TAXING PROCEDURES," "LEGAL MATTERS – Legal Opinions," "TAX MATTERS," and "CONTINUING DISCLOSURE," solely to determine whether such information fairly summarizes matters of law and the provisions of the documents referred to therein. Bond Counsel has not, however, independently verified any of the factual information contained in this Official Statement nor has it 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 Bond Counsel's 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 information contained herein.

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.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of the expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

No Material Adverse Change

The obligations of the Underwriter to take 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 condition (financial or otherwise) of the District subsequent to the date of sale from that set forth or contemplated in the Preliminary Official Statement, as it may have been supplemented or amended through the date of sale.

No-Litigation Certificate

The District will furnish the Underwriter a certificate, dated as of the date of delivery of the Bonds, executed by both the President or Vice President and Secretary or Assistant Secretary of the Board, to the effect that no litigation of any nature has been filed or is to their knowledge then pending or threatened, either in state or federal courts, contesting or attaching the Bonds; restraining or enjoining the issuance, execution or delivery of the Bonds; affecting the provisions made for the payment of or security for the Bonds; in any manner questioning the authority or proceedings for the issuance, execution or delivery of the Bonds; or affecting the validity of the Bonds.

TAX MATTERS

In the opinion of Allen Boone Humphries Robinson LLP, Bond Counsel, under existing law, interest on the Bonds is excludable from gross income for federal income tax purposes and interest on the Bonds is not subject to the alternative minimum tax on individuals.

The Internal Revenue Code of 1986, as amended (the "Code") imposes a number of requirements that must be satisfied for interest on state or local obligations, such as the Bonds, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of proceeds and the source of repayment, limitations on the investment of proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of proceeds be paid periodically to the United States and a requirement that the issuer file an information report with the Internal Revenue Service (the "Service"). The District has covenanted in the Bond Resolutions that is will comply with these requirements.

Bond Counsel's opinion will assume continuing compliance with the covenants of the Bond Resolutions pertaining to those sections of the Code which affect the exclusion from gross income of interest on the Bonds for federal income tax purposes and, in addition, will rely on representations by the District, the District's Financial Advisor, and the Underwriter, with respect to matters solely within the knowledge of the District, the District's Financial Advisor, and the Underwriter, respectively, which Bond Counsel has not independently verified. The District will further rely on the report of the Verification Agent regarding the mathematical accuracy of certain computations. If the District should fail to comply with the covenants in the Bond Resolutions or if the foregoing representations or report should be determined to be inaccurate or incomplete, interest on the Bonds could become taxable from the date of delivery of the Bonds, regardless of the date on which the event causing such taxability occurs.

Under the Code, taxpayers are required to report on their returns the amount of tax-exempt interest, such as interest on the Bonds, received or accrued during the year. Payments of interest on tax-exempt obligations such as the Bonds are in many cases required to be reported to the IRS. Additionally, backup withholding may apply to any such payments made to any owner who is not an "exempt recipient" and who fails to provide certain identifying information. Individuals generally are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients.

Except as stated above, Bond Counsel will express no opinion as to any federal, state or local tax consequences resulting from the ownership of, receipt of interest on, or disposition of, the Bonds.

Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, taxpayers owning an interest in a FASIT that holds tax-exempt obligations, and taxpayers otherwise qualifying for the earned income credit. In addition, certain foreign corporations doing business in the United States may be subject to the "branch profits tax" on their effectively-connected earnings and profits, including tax-exempt interest such as interest on the Bonds. These categories of prospective purchasers should consult their own tax advisors as to the applicability of these consequences.

Bond Counsel's opinions are based on existing law which is subject to change. Such opinions are further based on Bond Counsel's knowledge of facts as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of result and are not binding on the Service; rather, such opinions represent Bond Counsel's legal judgment based upon its review of existing law and in reliance upon the representations and covenants referenced above that it deems relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the District as the taxpayer and the Owners may not have a right to participate in such audit. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit regardless of the ultimate outcome of the audit.

Not Qualified Tax-Exempt Obligations

The Bonds are not "qualified tax-exempt obligations" within the meaning of Section 265(b) of the code.

VERIFICATION OF MATHMATICAL CALCULATIONS

The arithmetical accuracy of certain computations included in the schedules provided by the Underwriter on behalf of the District relating to (a) computation of the adequacy of the principal or redemption price of and interest on the Escrowed Securities, to pay, when due, the maturing principal of, interest on and related call premium requirements of the Refunded Bonds, (b) the computation of the yields on the Bonds and was verified by Robert Thomas CPA LLC. The computations were independently verified by Robert Thomas CPA LLC based upon certain assumptions and information supplied by the Underwriter 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.

CONTINUING DISCLOSURE

In the Bond Resolutions, the District has 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, audited financial statements and timely notice of specified material events, in an electronic format as prescribed by the Municipal Securities Rulemaking Board ("MSRB"). The MSRB has established the Electronic Municipal Market Access ("EMMA") system.

Annual Reports

The information to be updated with respect to the District includes all quantitative financial information and operating data of the general type included in this Official Statement under the headings "SELECTED FINANCIAL INFORMATION" and "APPENDIX A" (Independent Auditor's Report and Financial Statements of the District). The District will update and provide this information within six months after the end of each of its fiscal years ending in or after 2020. The District will provide the updated information to EMMA.

Any information so provided shall be prepared in accordance with generally accepted accounting principles or other such principles as the District may be required to employ from time to time pursuant to state law or regulation, and audited if the audit report is completed within a six month period. If the audit report is not complete within such period, then the District shall provide unaudited financial statements for the applicable fiscal year to EMMA within such six month period, and audited financial statements when the audit report becomes available.

The District's current fiscal year end is July 31. Accordingly, it must provide updated information by January 31 in each year, unless the District changes its fiscal year. If the District changes its fiscal year, it will notify EMMA of the change.

Event Notices

The District will provide timely notices of certain 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 determinations 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 material 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 CFR §240.15c2-12 (the "Rule"); (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person within the meaning of the Rule or the sale of all or substantially all of the assets of the District or other obligated person within the meaning of the Rule, 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 or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or obligated person, 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 the financial obligation of the District or obligated person, 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 Resolutions make 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 information, data, or financial statements in accordance with its agreement described above under "Annual Reports."

Availability of Information from EMMA

The District has agreed to provide the information only to the MSRB. The MSRB has prescribed that such information must be filed via EMMA. The MSRB makes the information available to the public without charge and investors will be able to access continuing disclosure information filed with the MSRB at www.emma.msrb.org.

Limitations and Amendments

The District has agreed to update information and to provide notices of material 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 the 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 Rule, taking into account any amendments or interpretations of the 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 Resolutions if the SEC amends or repeals the applicable provisions of the 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 Rule.

OFFICIAL STATEMENT

General

The information contained in this Official Statement has been obtained primarily from the District's records, the Engineer, the Developer, the Tax Assessor/Collector and other sources believed to be reliable; however, no representation is made as to the accuracy or completeness of the information contained herein, except as described below. 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 financial statements of the District as of July 31, 2019, and for the year then ended, included in this Official Statement, have been audited by BKD, LLP, independent auditors, as stated in their report appearing herein. See "APPENDIX A" for the District's audited financial statements.

Experts

In approving this Official Statement, the District has relied upon the following experts in addition to the Financial Advisor:

> *The Engineer:* The information contained in the Official Statement relating to engineering matters and to the description of the System and, in particular, that information included in the sections entitles "THE DISTRICT," and "THE SYSTEM," has been provided by BGE, Inc., and has been included in reliance upon the authority of said firm as experts in the field of civil engineering.
>
> *Tax Assessor/Collector and Appraisal District:* The information in the Official Statement relating to principal taxpayers and tax collection rates and the certified assessed valuation of property in the District and, in particular such information contained in the sections captioned "SELECTED FINANCIAL INFORMATION" has been provided by the Assessments of the Southwest, Inc. and Galveston Central Appraisal District, in reliance upon their authority as experts in appraising and tax assessing.

Updating of Official Statement

If, subsequent to the date of the Official Statement, the District learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Underwriter, of any adverse event which causes the Official Statement to be materially misleading, and unless the Underwriter elects to terminate its obligation to purchase the Bonds, the District will promptly prepare and supply to the Underwriter an appropriate amendment or supplement to the Official Statement satisfactory to the Underwriter; provided, however, that the obligation of the District to so amend or supplement the Official Statement will terminate when the District delivers the Bonds to the Underwriter, unless the Underwriter notifies the District in writing on or before such date that less than all of the Bonds have been sold to ultimate customers, in which case the District's obligations hereunder will extend for an additional period of time (but not more than 90 days after the date the District delivers the Bonds) until all of the Bonds have been sold to ultimate customers.

Certification as to Official Statement

The District, acting by and through its Board of Directors in its official capacity, in reliance upon the experts listed above, hereby certifies, as of the date hereof, that to the best of its knowledge and belief, the information, statements and descriptions pertaining to the District and its affairs herein contain no untrue statements of a material fact and do not omit to state any material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading. The information, description and statements concerning entities other than the District, including particularly other governmental entities, have been obtained from sources believed to be reliable, but the District has made no independent investigation or verification of such matters and makes no representation as to the accuracy or completeness thereof.

CONCLUDING STATEMENT

The information set forth herein has been obtained from the District's records, audited financial statements and other sources which are considered to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will ever be realized. All of the summaries of the statutes, documents and resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such summarized documents for further information. Reference is made to official documents in all respects.

This Official Statement was approved by the Board of Directors of West Ranch Management District as of the date shown on the first page hereof.

/s/ Brian Gibson
President, Board of Directors
West Ranch Management District

ATTEST:

/s/ Doug Konopka
Secretary, Board of Directors
West Ranch Management District

APPENDIX A

INDEPENDENT AUDITOR'S REPORT AND

FINANCIAL STATEMENTS OF THE DISTRICT

West Ranch Management District, a Component Unit of the City of Friendswood

Galveston County, Texas

Independent Auditor's Report and Financial Statements

July 31, 2019

BKD
CPAs & Advisors

West Ranch Management District,
a Component Unit of the City of Friendswood
July 31, 2019

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BKD
CPAs & Advisors

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Independent Auditor's Report

Board of Directors
West Ranch Management District, a Component
Unit of the City of Friendswood
Galveston County, Texas

We have audited the accompanying financial statements of the governmental activities and each major fund of West Ranch Management District, a Component Unit of the City of Friendswood (the District), as of and for the year ended July 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the District as of July 31, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

BKD, LLP

Houston, Texas
December 6, 2019

West Ranch Management District,
a Component Unit of the City of Friendswood
Management's Discussion and Analysis
July 31, 2019

Overview of the Financial Statements

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

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

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

Governmental Funds

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

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

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

Notes to Financial Statements

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

Financial Analysis of the District as a Whole

The District's overall financial position and activities for the past two years are summarized as follows, based on the information included in the government-wide financial statements.

Summary of Net Position

	2019	2018
Current and other assets	$ 5,163,507	$ 4,909,872
Capital assets	7,292,191	7,238,201
Total assets	12,455,698	12,148,073
Deferred outflows of resources	11,383	12,762
Total assets and deferred outflows of resources	$ 12,467,081	$ 12,160,835
Long-term liabilities	$ 22,936,366	$ 23,730,510
Other liabilities	423,875	455,537
Total liabilities	23,360,241	24,186,047
Net position:		
Net investment in capital assets	1,236,100	234,147
Restricted	1,982,722	1,883,893
Unrestricted	(14,111,982)	(14,143,252)
Total net position	$ (10,893,160)	$ (12,025,212)

The total net position of the District increased by $1,132,052, or about 9 percent. The majority of the increase in net position is related to property tax revenues in excess of services and debt service expenses.

At July 31, 2019, unrestricted net position was $(14,111,982). This amount was negative because the District has an obligation to sell bonds to finance the construction or acquisition of capital assets, which have been conveyed to the City of Friendswood (the City) pursuant to a utility services contract between the District and the City.

West Ranch Management District, a Component Unit of the City of Friendswood

Management's Discussion and Analysis (Continued)

July 31, 2019

Summary of Changes in Net Position

	2019	2018
Revenues:		
Property taxes	$ 2,341,476	$ 2,282,662
Other revenues	74,055	27,664
Total revenues	2,415,531	2,310,326
Expenses:		
Services	233,928	245,720
Depreciation	10,745	10,745
Conveyance of capital assets	104,560	867,308
Debt service	934,246	954,552
Total expenses	1,283,479	2,078,325
Change in net position	1,132,052	232,001
Net position, beginning of year	(12,025,212)	(12,257,213)
Net position, end of year	$ (10,893,160)	$ (12,025,212)

Financial Analysis of the District's Funds

The District's combined fund balances as of the end of the fiscal year ended July 31, 2019, were $5,114,184, an increase of $278,105 from the prior year.

The general fund's fund balance increased by $200,622 due to property taxes revenues in excess of service operations and capital outlay expenditures.

The debt service fund's fund balance increased by $71,094 because tax revenues generated were greater than bond principal and interest requirements and contracted services expenditures.

The capital projects fund's fund balance increased by $6,389, primarily due to investment income being greater than capital outlay expenditures incurred.

General Fund Budgetary Highlights

There were several differences between the final budgetary amounts and actual amounts. The major differences between budget and actual were due to property taxes revenues and repairs and maintenance expenditures being greater than anticipated, as well as professional fee expenditures being less than anticipated. The fund balance as of July 31, 2019, was expected to be $1,666,115 and the actual end-of-year fund balance was $1,696,419.

Capital Assets and Related Debt

Capital Assets

The District conveys title of its water, sewer and drainage capital assets (exclusive of its storm water detention and certain non-potable irrigation water lines) to the City pursuant to a utility agreement between the District and the City.

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

Capital Assets (Net of Accumulated Depreciation)

	2019	2018
Land and improvements	$ 6,839,035	$ 6,839,035
Construction in progress	64,735	-
Water facilities	388,421	399,166
Total capital assets	$ 7,292,191	$ 7,238,201

During the current year, additions to capital assets were as follows:

Construction in progress, related to drainage improvements to detention facility F5A and commercial tracts	$ 64,735

Debt

The changes in the debt position of the District during the fiscal year ended July 31, 2019, are summarized as follows.

Long-term debt payable, beginning of year	$	23,730,510
Decrease in long-term debt		(794,144)
Long-term debt payable, end of year	$	22,936,366

At July 31, 2019, the District had $3,775,000 of unlimited tax bonds and recreational facilities' bonds authorized, but unissued, for the purposes of acquiring, constructing and improving recreational facilities, transportation, education, and the water, sanitary sewer and drainage systems within the District.

The developer of the District has constructed facilities on behalf of the District. The District has agreed to reimburse the developer for these construction costs and interest to the extent approved by the Commission from the proceeds of future bond sales. The District's engineer estimates reimbursable costs for completed projects are $369,600. These amounts have been recorded in the financial statements as long-term liabilities.

The District's bonds carry an underlying rating of "A2" from Moody's Investors Service and "BBB+" from Standard & Poor's. The Road Series 2013, Series 2013 and Road Series 2014 bonds carry a "AA" rating from Standard & Poor's by virtue of bond insurance issued by Build America Mutual Assurance Company. The Series 2015 bonds carry a "AA" rating from Standard & Poor's by virtue of bond insurance issued by Assured Guaranty Municipal Corp. The Series 2016 and Refunding Series 2016 bonds carry a "AA" rating from Standard & Poor's by virtue of bond insurance issued by Municipal Assurance Corp.

Other Relevant Factors

Relationship to the City of Friendswood

Under existing Texas law, since the District lies wholly within the corporate boundaries of the City, the District must conform to the City ordinance consenting to the creation of the District. In addition, the District may be dissolved by the City without the District's consent. If the District is dissolved, the City must assume the District's assets and obligations (including the bonded indebtedness).

West Ranch Management District,
a Component Unit of the City of Friendswood
Statement of Net Position and Governmental Funds Balance Sheet
July 31, 2019

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets						
Cash	$ 618,932	$ 1,318,574	$ 211,685	$ 2,149,191	$ -	$ 2,149,191
Certificates of deposit	100,589	-	-	100,589	-	100,589
Short-term investments	1,002,858	1,011,766	890,379	2,905,003	-	2,905,003
Property taxes receivable	1,857	6,494	-	8,351	-	8,351
Accrued interest	64	-	-	64	-	64
Interfund receivable	541	-	-	541	(541)	-
Prepaid expenditures	309	-	-	309	-	309
Capital assets (net of accumulated depreciation):						
Land and improvements	-	-	-	-	6,839,035	6,839,035
Construction in progress	-	-	-	-	64,735	64,735
Infrastructure	-	-	-	-	388,421	388,421
Total assets	1,725,150	2,336,834	1,102,064	5,164,048	7,291,650	12,455,698
Deferred Outflows of Resources						
Deferred amount on debt refundings	0	0	0	0	11,383	11,383
Total assets and deferred outflows of resources	$ 1,725,150	$ 2,336,834	$ 1,102,064	$ 5,164,048	$ 7,303,033	$ 12,467,081

West Ranch Management District,
a Component Unit of the City of Friendswood
Statement of Net Position and Governmental Funds Balance Sheet (Continued)
July 31, 2019

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Liabilities						
Accounts payable	$ 26,874	$ 3,393	$ 239	$ 30,506	$ -	$ 30,506
Accrued interest payable	-	-	-	-	382,903	382,903
Interfund payable	-	541	-	541	(541)	-
Due to other district	-	10,466	-	10,466	-	10,466
Long-term liabilities:						
Due within one year	-	-	-	-	830,000	830,000
Due after one year	-	-	-	-	22,106,366	22,106,366
Total liabilities	26,874	14,400	239	41,513	23,318,728	23,360,241
Deferred Inflows of Resources						
Deferred property tax revenues	1,857	6,494	0	8,351	(8,351)	0
Fund Balances/Net Position						
Fund balances:						
Nonspendable, prepaid expenditures	309	-	-	309	(309)	-
Restricted:						
Unlimited tax bonds	-	1,814,206	-	1,814,206	(1,814,206)	-
Water, sewer and drainage	-	-	926,559	926,559	(926,559)	-
Roads	-	501,734	175,266	677,000	(677,000)	-
Unassigned	1,696,110	-	-	1,696,110	(1,696,110)	-
Total fund balances	1,696,419	2,315,940	1,101,825	5,114,184	(5,114,184)	0
Total liabilities, deferred inflows of resources and fund balances	$ 1,725,150	$ 2,336,834	$ 1,102,064	$ 5,164,048		
Net position:						
Net investment in capital assets					1,236,100	1,236,100
Restricted for debt service					1,939,531	1,939,531
Restricted for capital projects					43,191	43,191
Unrestricted					(14,111,982)	(14,111,982)
Total net position					$ (10,893,160)	$ (10,893,160)

West Ranch Management District,
a Component Unit of the City of Friendswood

Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances

Year Ended July 31, 2019

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues						
Property taxes	$ 520,386	$ 1,821,439	$ -	$ 2,341,825	$ (349)	$ 2,341,476
Penalty and interest	-	11,457	-	11,457	-	11,457
Investment income	26,401	15,419	20,778	62,598	-	62,598
Total revenues	546,787	1,848,315	20,778	2,415,880	(349)	2,415,531
Expenditures/Expenses						
Service operations:						
Professional fees	72,741	2,494	-	75,235	1,198	76,433
Contracted services	11,025	34,632	-	45,657	-	45,657
Repairs and maintenance	85,369	-	-	85,369	-	85,369
Other expenditures	20,634	5,543	292	26,469	-	26,469
Capital outlay	156,396	-	14,097	170,493	(170,493)	-
Conveyance of capital assets	-	-	-	-	104,560	104,560
Depreciation	-	-	-	-	10,745	10,745
Debt service:						
Principal retirement	-	800,000	-	800,000	(800,000)	-
Interest and fees	-	934,552	-	934,552	(306)	934,246
Total expenditures/expenses	346,165	1,777,221	14,389	2,137,775	(854,296)	1,283,479
Excess of Revenues Over Expenditures	200,622	71,094	6,389	278,105	(278,105)	
Change in Net Position					1,132,052	1,132,052
Fund Balances/Net Position						
Beginning of year	1,495,797	2,244,846	1,095,436	4,836,079	-	(12,025,212)
End of year	$ 1,696,419	$ 2,315,940	$ 1,101,825	$ 5,114,184	$ 0	$ (10,893,160)

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

West Ranch Management District, a Component Unit of the City of Friendswood (the District), was created under Section 59, Article XVI, of the Texas Constitution added by an Act of the 79th Legislature of the State of Texas, effective June 17, 2005, in accordance with the Texas Water Code, Chapter 54. The District operates in accordance with Chapter 3837, Texas Special District Local Laws Code, Chapters 49 and 54 of the Texas Water Code and Chapter 375 of the Texas Local Government Code, and is subject to the continuing supervision of the Texas Commission on Environmental Quality (the Commission). The District was created to promote and encourage employment and the public welfare within the District. The affairs of the District are managed by a Board of Directors (the Board) composed of persons appointed by the governing body of the City of Friendswood (the City). The District is a component unit of the City.

The Board sets the policies of the District. The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America for state and local governments, as defined by the Governmental Accounting Standards Board. The following is a summary of the significant accounting and reporting policies of the District:

Reporting Entity

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

Government-wide and Fund Financial Statements

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

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

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

The District presents the following major governmental funds:

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

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

Capital Projects Fund – The capital projects fund is used to account for financial resources that are restricted, committed or assigned to expenditures for capital outlays.

Fund Balances – Governmental Funds

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

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

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

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

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

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

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

Measurement Focus and Basis of Accounting

Government-wide Financial Statements

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

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

Fund Financial Statements

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

Deferred Outflows and Inflows of Resources

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

Interfund Transactions

Transfers from one fund to another fund are reported as interfund receivables and payable if there is intent to repay the amount and if there is the ability to repay the advance on a timely basis. Operating transfers represent legally authorized transfers from the fund receiving resources to the fund through which the resources are to be expended.

Pension Costs

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

Use of Estimates

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

Investments and Investment Income

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

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

Property Taxes

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

In the governmental funds, property taxes are initially recorded as receivables and deferred inflows of resources at the time the tax levy is billed. Revenues recognized during the fiscal year ended July 31, 2019, include collections during the current period or within 60 days of year-end related to the 2018 and prior years' tax levies.

In the government-wide statement of net position, property taxes are considered earned in the budget year for which they are levied. For the District's fiscal year ended July 31, 2019, the 2018 tax levy is considered earned during the current fiscal year. In addition to property taxes levied, any delinquent taxes are recorded net of amounts considered uncollectible.

Capital Assets

The District conveys its water, sewer and drainage capital assets (exclusive of its storm water detention and certain non-potable irrigation water lines) to the City.

Capital assets are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an individual cost of $5,000 or more and an estimated useful life of two years or more. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over their estimated useful lives as follows:

	Years
Water production and distribution facilities	10-45

Deferred Amount on Debt Refundings

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

Debt Issuance Costs

Debt issuance costs, other than prepaid insurance, do not meet the definition of an asset or deferred outflows of resources since the costs are not applicable to a future period and, therefore, are recognized as an expense/expenditure in the period incurred.

Long-term Obligations

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

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

Net Position/Fund Balances

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

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

The components of unrestricted net position at July 31, 2019, are as follows:

General fund, unrestricted fund balance, including deferred taxes	$	1,698,276
Conveyed capital assets financed with long-term debt		(15,810,258)
Total	$	(14,111,982)

The District has financed water, sewer and drainage facilities, which have been conveyed to the City for maintenance and other incidents of ownership, which has caused long-term debt to be in excess of capital assets. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Reconciliation of Government-wide and Fund Financial Statements

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

Capital assets used in governmental activities are not financial resources and are not reported in the funds.	$	7,292,191
Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements.		8,351
Deferred amount on debt refundings for governmental activities are not financial resources and are not reported in the funds.		11,383
Accrued interest on long-term liabilities is not payable with current financial resources and is not reported in the funds.		(382,903)
Long-term debt obligations are not due and payable in the current period and are not reported in the funds.		(22,936,366)
Adjustment to fund balances to arrive at net position.	$	(16,007,344)

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

Change in fund balances.	$	278,105
Governmental funds report capital outlays as expenditures. However, for government-wide financial statements, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay expenditures exceeded depreciation, conveyance of capital assets and noncapitalized costs in the current period.		53,990

Governmental funds report principal payments on debt as expenditures. For the statement of activities, these transactions do not have any effect on net position.	$	800,000
Revenues collected in the current year, which have previously been reported in the statement of activities, are reported as revenues in the governmental funds.		(349)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		306
Change in net position of governmental activities.	$	1,132,052

Note 2: Deposits, Investments and Investment Income

Deposits

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

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

At July 31, 2019, none of the District's bank balances were exposed to custodial credit risk.

Investments

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

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

The District invests in TexSTAR, an external investment pool that is not registered with the Securities and Exchange Commission. A Board of Directors, made up of participants and representatives of the administrator and investment manager, has oversight of TexSTAR. The District's investments may be redeemed at any time. TexSTAR attempts to minimize its exposure to market and credit risk through the use of various strategies and credit monitoring techniques.

At July 31, 2019, the District has the following investment and maturities:

	Maturities in Years				
Type	Amortized Cost	Less Than 1	1-5	6-10	More Than 10
TexSTAR	$ 2,905,003	$ 2,905,003	$ 0	$ 0	$ 0

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy does not allow investments in certain mortgage-backed securities, collateralized mortgage obligations with a final maturity date in excess of 10 years and interest rate indexed collateralized mortgage obligations. The external investment pool is presented as an investment with a maturity of less than one year because it is redeemable in full immediately.

Credit Risk. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At July 31, 2019, the District's investments in TexSTAR were rated "AAAm" by Standard & Poor's.

Summary of Carrying Values

The carrying values of deposits and investments shown previously are included in the balance sheet at July 31, 2019, as follows.

Carrying value:		
Deposits	$	2,249,780
Investments		2,905,003
Total	$	5,154,783

Included in the following statement of net position captions:

Cash	$	2,149,191
Certificates of deposit		100,589
Short-term investments		2,905,003
Total	$	5,154,783

Investment Income

Investment income of $62,598 for the year ended July 31, 2019, consisted of interest income.

Note 3: Capital Assets

A summary of changes in capital assets for the year ended July 31, 2019, is presented below:

Governmental Activities	Balances, Beginning of Year	Additions	Balances, End of Year
Capital assets, non-depreciable:			
Land and improvements	$ 6,839,035	$ -	$ 6,839,035
Construction in progress	-	64,735	64,735
Total capital assets, non-depreciable	6,839,035	64,735	6,903,770
Capital assets, depreciable:			
Water production and distribution facilities	483,467	-	483,467
Less accumulated depreciation:			
Water production and distribution facilities	(84,301)	(10,745)	(95,046)
Total governmental activities, net	$ 7,238,201	$ 53,990	$ 7,292,191

Note 4: Long-term Liabilities

Changes in long-term liabilities for the year ended July 31, 2019, were as follows:

Governmental Activities	Balances, Beginning of Year	Decreases	Balances, End of Year	Amounts Due in One Year
Bonds payable:				
General obligation bonds	$ 23,635,000	$ 800,000	$ 22,835,000	$ 830,000
Less discounts on bonds	417,004	14,412	402,592	-
Add premiums on bonds	102,914	8,556	94,358	-
	23,320,910	794,144	22,526,766	830,000
Developer advances	40,000	-	40,000	-
Due to developer	369,600	-	369,600	-
Total governmental activities long-term liabilities	$ 23,730,510	$ 794,144	$ 22,936,366	$ 830,000

General Obligation Bonds

	Series 2010	Road Series 2010A
Amounts outstanding, July 31, 2019	$5,920,000	$1,595,000
Interest rates	3.25% to 5.25%	3.50% to 5.00%
Maturity dates, serially beginning/ending	September 1, 2019/2040	September 1, 2019/2040
Interest payment dates	September 1/March 1	September 1/March 1
Callable dates*	September 1, 2020	September 1, 2020

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

West Ranch Management District,
a Component Unit of the City of Friendswood
Notes to Financial Statements
July 31, 2019

	Series 2012A	Road Series 2013
Amounts outstanding, July 31, 2019	$3,110,000	$935,000
Interest rates	3.50% to 4.10%	2.00% to 3.00%
Maturity dates, serially beginning/ending	September 1, 2027/2040	September 1, 2019/2028
Interest payment dates	September 1/March 1	September 1/March 1
Callable dates*	September 1, 2020	September 1, 2021

	Series 2013	Road Series 2014
Amounts outstanding, July 31, 2019	$1,165,000	$2,030,000
Interest rates	3.00% to 5.00%	2.00% to 3.75%
Maturity dates, serially beginning/ending	September 1, 2019/2040	September 1, 2019/2040
Interest payment dates	September 1/March 1	September 1/March 1
Callable dates*	September 1, 2021	September 1, 2022

	Series 2015	Series 2016
Amounts outstanding, July 31, 2019	$4,975,000	$2,080,000
Interest rates	1.300% to 4.125%	3.00% to 4.00%
Maturity dates, serially beginning/ending	September 1, 2019/2030	September 1, 2031/2040
Interest payment dates	September 1/March 1	September 1/March 1
Callable dates*	September 1, 2023	September 1, 2024

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

	Refunding Series 2016
Amount outstanding, July 31, 2019	$1,025,000
Interest rates	2.00% to 4.00%
Maturity dates, serially beginning/ending	September 1, 2019/2026
Interest payment dates	September 1/March 1
Callable date*	September 1, 2024

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

Annual Debt Service Requirements

The following schedule shows the annual debt service requirements to pay principal and interest on general obligation bonds outstanding at July 31, 2019:

Year	Principal	Interest	Total
2020	$ 830,000	$ 907,460	$ 1,737,460
2021	850,000	883,383	1,733,383
2022	885,000	856,611	1,741,611
2023	910,000	827,740	1,737,740
2024	940,000	797,142	1,737,142
2025-2029	5,330,000	3,401,730	8,731,730
2030-2034	5,060,000	2,276,522	7,336,522
2035-2039	5,485,000	1,180,861	6,665,861
2040-2041	2,545,000	113,888	2,658,888
Total	$ 22,835,000	$ 11,245,337	$ 34,080,337

The bonds are payable from the proceeds of an ad valorem tax levied upon all property within the District subject to taxation, without limitation as to rate or amount.

Bonds voted	$ 29,750,000
Bonds sold:	
Water, sewer and drainage	17,185,000
Road	5,440,000
Recreational	3,350,000
Refunding bonds voted	17,850,000

Developer Advances

The developer of the District has advanced $40,000 to the District for operating expenses. The District has agreed to pay these amounts, plus interest, to the extent approved by the Commission from the proceeds of future bond sales. These amounts have been recorded in the financial statements as long-term liabilities. The District is currently unable to estimate when bonds will be issued to pay this liability.

Due to Developer

The developer of the District has constructed facilities on behalf of the District. The District has agreed to reimburse the developer for these construction costs and interest to the extent approved by the Commission from the proceeds of future bond sales. The District's engineer estimates reimbursable costs for completed projects are $369,600. These amounts have been recorded in the financial statements as long-term liabilities.

Note 5: Significant Bond Resolution and Commission Requirements

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. During the year ended July 31, 2019, the District levied an ad valorem debt service tax at the rate of $0.2800 per $100 of assessed valuation, which resulted in a tax levy of $1,456,826 on the taxable valuation of $520,295,039 for the 2018 tax year. The interest and principal requirements to be paid from the tax revenues are $1,388,931, of which $374,465 has been paid and $1,014,466 is due September 1, 2019.

Note 6: Maintenance Taxes

At an election held November 8, 2005, voters authorized a maintenance tax not to exceed $0.65 per $100 valuation on all property within the District subject to taxation. During the year ended July 31, 2019, the District levied an ad valorem maintenance tax at the rate of $0.1000 per $100 of assessed valuation, which resulted in a tax levy of $520,295 on the taxable valuation of $520,295,039 for the 2018 tax year. The maintenance tax is being used by the general fund to pay expenditures of operating the District.

Note 7: Road Debt Service Taxes

At an election November 8, 2005, voters authorized a road tax on all property within the District subject to taxation in order to pay principal and interest on road bonds when due. During the year ended July 31, 2019, the District levied an ad valorem road debt service tax at the rate of $0.0700 per $100 of assessed valuation, which resulted in a tax levy of $364,207 on the taxable valuation of $520,295,039 for the 2018 tax year. The interest and principal requirements to be paid from the road debt service tax revenues are $360,035, of which $85,017 has been paid and $275,018 is due September 1, 2019.

Note 8: Contract With the City of Friendswood

The District approved a contract with the City effective August 15, 2005, as amended. Under the terms of the contract, the District is to pay for construction of water distribution, sanitary sewer, drainage, detention, transportation and recreation facilities to serve the District.

The District shall be the owner of the system until the system is completed, approved by the City and conveyed to it, at which time ownership, excluding detention facilities, will vest in the City. The District will own and operate detention facilities to serve the District. Pursuant to the contract, the District shall have a security interest therein until all bonds issued by the District are retired.

Note 9: Risk Management

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

Required Supplementary Information

West Ranch Management District,
a Component Unit of the City of Friendswood
Budgetary Comparison Schedule – General Fund
Year Ended July 31, 2019

	Original Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	$ 491,658	$ 520,386	$ 28,728
Investment income	3,600	26,401	22,801
Total revenues	495,258	546,787	51,529
Expenditures			
Service operations:			
Professional fees	95,900	72,741	23,159
Contracted services	12,800	11,025	1,775
Repairs and maintenance	58,880	85,369	(26,489)
Other expenditures	7,400	20,634	(13,234)
Capital outlay	149,960	156,396	(6,436)
Total expenditures	324,940	346,165	(21,225)
Excess of Revenues Over Expenditures	170,318	200,622	30,304
Fund Balance, Beginning of Year	1,495,797	1,495,797	-
Fund Balance, End of Year	$ 1,666,115	$ 1,696,419	$ 30,304

West Ranch Management District,
a Component Unit of the City of Friendswood
Notes to Required Supplementary Information
July 31, 2019

Budgets and Budgetary Accounting

An annual operating budget is prepared for the general fund by the District's consultants. The budget reflects resources expected to be received during the year and expenditures expected to be incurred. The Board of Directors is required to adopt the budget prior to the start of its fiscal year. The budget is not a spending limitation (a legally restricted appropriation). The original budget of the general fund was not amended during fiscal 2019.

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

Other Information

West Ranch Management District,
a Component Unit of the City of Friendswood
Other Schedules Included Within This Report
July 31, 2019

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

[X] Notes Required by the Water District Accounting Manual
See "Notes to Financial Statements," Pages 12-26

[X] Schedule of Services and Rates

[X] Schedule of General Fund Expenditures

[X] Schedule of Temporary Investments

[X] Analysis of Taxes Levied and Receivable

[X] Schedule of Long-term Debt Service Requirements by Years

[X] Changes in Long-term Bonded Debt

[X] Comparative Schedule of Revenues and Expenditures – General Fund and Debt Service Fund – Five Years

[X] Board Members, Key Personnel and Consultants

West Ranch Management District,
a Component Unit of the City of Friendswood
Schedule of Services and Rates
Year Ended July 31, 2019

1. Services provided by the District:

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

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

X Other Water and wastewater services provided by the City of Friendswood.

West Ranch Management District,
a Component Unit of the City of Friendswood
Schedule of General Fund Expenditures
Year Ended July 31, 2019

Personnel (including benefits)		$ -
Professional Fees		
Auditing	$ 15,900	
Legal	38,803	
Engineering	18,038	
Financial advisor	-	72,741
Purchased Services for Resale		
Bulk water and wastewater service purchases		-
Regional Water Fee		-
Contracted Services		
Bookkeeping	11,025	
General manager	-	
Appraisal district	-	
Tax collector	-	
Security	-	
Other contracted services	-	11,025
Utilities		-
Repairs and Maintenance		85,369
Administrative Expenditures		
Directors' fees	-	
Office supplies	11,129	
Insurance	9,395	
Other administrative expenditures	110	20,634
Capital Outlay		
Capitalized assets	-	
Expenditures not capitalized	156,396	156,396
Tap Connection Expenditures		-
Solid Waste Disposal		-
Fire Fighting		-
Parks and Recreation		-
Other Expenditures		-
Total expenditures		$ 346,165

West Ranch Management District,
a Component Unit of the City of Friendswood
Schedule of Temporary Investments
July 31, 2019

	Interest Rate	Maturity Date	Face Amount	Accrued Interest Receivable
General Fund				
Certificate of Deposit				
No. 6000023389	2.60%	07/22/20	$ 100,589	$ 64
TexSTAR	2.40%	Demand	1,002,858	-
			1,103,447	64
Debt Service Fund				
TexSTAR	2.40%	Demand	1,011,766	0
Capital Projects Fund				
TexSTAR	2.40%	Demand	890,379	0
Totals			$ 3,005,592	$ 64

West Ranch Management District,
a Component Unit of the City of Friendswood
Analysis of Taxes Levied and Receivable
Year Ended July 31, 2019

	Maintenance Taxes	Debt Service Taxes	Road Debt Service Taxes
Receivable, Beginning of Year	$ 1,914	$ 5,394	$ 1,392
Additions and corrections to prior years' taxes	34	90	24
Adjusted receivable, beginning of year	1,948	5,484	1,416
2018 Original Tax Levy	520,842	1,458,358	364,590
Additions and corrections	(547)	(1,532)	(383)
Adjusted tax levy	520,295	1,456,826	364,207
Total to be accounted for	522,243	1,462,310	365,623
Tax collections: Current year	(518,472)	(1,451,721)	(362,931)
Prior years	(1,914)	(5,396)	(1,391)
Receivable, end of year	$ 1,857	$ 5,193	$ 1,301
Receivable, by Years			
2018	$ 1,823	$ 5,105	$ 1,276
2015	34	88	25
Receivable, end of year	$ 1,857	$ 5,193	$ 1,301

West Ranch Management District,
a Component Unit of the City of Friendswood
Analysis of Taxes Levied and Receivable (Continued)
Year Ended July 31, 2019

	2018	2017	2016	2015
Property Valuations				
Land	$ 94,242,239	$ 85,855,149	$ 74,426,545	$ 65,653,099
Improvements	431,798,512	375,457,307	324,955,932	278,981,306
Personal property	1,041,320	766,671	860,694	559,883
Exemptions	(6,787,032)	(4,718,158)	(5,766,774)	(14,818,229)
Total property valuations	$ 520,295,039	$ 457,360,969	$ 394,476,397	$ 330,376,059
Tax Rates per $100 Valuation				
Maintenance tax rates*	$ 0.1000	$ 0.1100	$ 0.0900	$ 0.1500
Debt service tax rates	0.2800	0.3100	0.3600	0.3900
Road debt service tax rates	0.0700	0.0800	0.1000	0.1100
Total tax rates per $100 valuation	$ 0.4500	$ 0.5000	$ 0.5500	$ 0.6500
Tax Levy	$ 2,341,328	$ 2,286,805	$ 2,169,621	$ 2,152,044
Percent of Taxes Collected to Taxes Levied**	99%	100%	100%	99%

*Maximum tax rate approved by voters: $0.65 on November 8, 2005

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

West Ranch Management District,
a Component Unit of the City of Friendswood
Schedule of Long-term Debt Service Requirements by Years
July 31, 2019

	Series 2010		
Due During Fiscal Years Ending July 31	Principal Due September 1	Interest Due September 1, March 1	Total
2020	$ 145,000	$ 294,081	$ 439,081
2021	155,000	288,263	443,263
2022	160,000	281,803	441,803
2023	170,000	274,702	444,702
2024	180,000	266,913	446,913
2025	190,000	258,350	448,350
2026	200,000	249,088	449,088
2027	210,000	239,350	449,350
2028	220,000	228,862	448,862
2029	235,000	217,487	452,487
2030	250,000	205,362	455,362
2031	260,000	192,613	452,613
2032	275,000	178,894	453,894
2033	290,000	164,062	454,062
2034	305,000	148,444	453,444
2035	325,000	131,906	456,906
2036	340,000	114,450	454,450
2037	360,000	96,075	456,075
2038	380,000	76,650	456,650
2039	400,000	56,175	456,175
2040	425,000	34,519	459,519
2041	445,000	11,681	456,681
Totals	$ 5,920,000	$ 4,009,730	$ 9,929,730

West Ranch Management District,
a Component Unit of the City of Friendswood
Schedule of Long-term Debt Service Requirements by Years (Continued)
July 31, 2019

Due During Fiscal Years Ending July 31	Road Series 2010A Principal Due September 1	Road Series 2010A Interest Due September 1, March 1	Road Series 2010A Total
2020	$ 40,000	$ 76,829	$ 116,829
2021	40,000	75,209	115,209
2022	45,000	73,444	118,444
2023	45,000	71,520	116,520
2024	50,000	69,416	119,416
2025	50,000	67,116	117,116
2026	55,000	64,649	119,649
2027	55,000	62,016	117,016
2028	60,000	59,212	119,212
2029	65,000	56,125	121,125
2030	65,000	52,875	117,875
2031	70,000	49,500	119,500
2032	75,000	45,875	120,875
2033	80,000	42,000	122,000
2034	85,000	37,875	122,875
2035	85,000	33,625	118,625
2036	90,000	29,250	119,250
2037	95,000	24,625	119,625
2038	100,000	19,750	119,750
2039	110,000	14,500	124,500
2040	115,000	8,875	123,875
2041	120,000	3,000	123,000
Totals	$ 1,595,000	$ 1,037,286	$ 2,632,286

West Ranch Management District,
a Component Unit of the City of Friendswood
Schedule of Long-term Debt Service Requirements by Years (Continued)
July 31, 2019

	Series 2012A		
Due During Fiscal Years Ending July 31	Principal Due September 1	Interest Due September 1, March 1	Total
2020	$ -	$ 122,710	$ 122,710
2021	-	122,710	122,710
2022	-	122,710	122,710
2023	-	122,710	122,710
2024	-	122,710	122,710
2025	-	122,710	122,710
2026	-	122,710	122,710
2027	-	122,710	122,710
2028	170,000	119,735	289,735
2029	180,000	113,520	293,520
2030	185,000	106,858	291,858
2031	190,000	99,825	289,825
2032	200,000	92,215	292,215
2033	205,000	84,115	289,115
2034	215,000	75,715	290,715
2035	225,000	66,915	291,915
2036	235,000	57,715	292,715
2037	240,000	48,215	288,215
2038	250,000	38,415	288,415
2039	260,000	28,085	288,085
2040	270,000	17,220	287,220
2041	285,000	5,842	290,842
Totals	$ 3,110,000	$ 1,936,070	$ 5,046,070

West Ranch Management District,
a Component Unit of the City of Friendswood
Schedule of Long-term Debt Service Requirements by Years (Continued)
July 31, 2019

	Road Series 2013		
Due During Fiscal Years Ending July 31	Principal Due September 1	Interest Due September 1, March 1	Total
2020	$ 90,000	$ 24,875	$ 114,875
2021	90,000	22,625	112,625
2022	90,000	20,375	110,375
2023	95,000	18,063	113,063
2024	90,000	15,637	105,637
2025	95,000	12,975	107,975
2026	100,000	10,050	110,050
2027	100,000	7,050	107,050
2028	95,000	4,125	99,125
2029	90,000	1,350	91,350
Totals	$ 935,000	$ 137,125	$ 1,072,125

West Ranch Management District,
a Component Unit of the City of Friendswood
Schedule of Long-term Debt Service Requirements by Years (Continued)
July 31, 2019

Due During Fiscal Years Ending July 31	Series 2013 Principal Due September 1	Series 2013 Interest Due September 1, March 1	Series 2013 Total
2020	$ 30,000	$ 51,775	$ 81,775
2021	30,000	50,575	80,575
2022	35,000	49,275	84,275
2023	35,000	47,875	82,875
2024	35,000	46,475	81,475
2025	40,000	44,975	84,975
2026	40,000	43,375	83,375
2027	40,000	41,725	81,725
2028	45,000	39,919	84,919
2029	45,000	38,006	83,006
2030	50,000	35,988	85,988
2031	50,000	33,862	83,862
2032	55,000	31,563	86,563
2033	55,000	29,087	84,087
2034	60,000	26,500	86,500
2035	65,000	23,688	88,688
2036	65,000	20,681	85,681
2037	70,000	17,475	87,475
2038	75,000	14,031	89,031
2039	80,000	10,250	90,250
2040	80,000	6,250	86,250
2041	85,000	2,125	87,125
Totals	$ 1,165,000	$ 705,475	$ 1,870,475

West Ranch Management District,
a Component Unit of the City of Friendswood
Schedule of Long-term Debt Service Requirements by Years (Continued)
July 31, 2019

	Road Series 2014		
Due During Fiscal Years Ending July 31	Principal Due September 1	Interest Due September 1, March 1	Total
2020	$ 60,000	$ 65,806	$ 125,806
2021	60,000	64,606	124,606
2022	65,000	63,194	128,194
2023	65,000	61,569	126,569
2024	70,000	59,881	129,881
2025	70,000	57,956	127,956
2026	75,000	55,781	130,781
2027	75,000	53,531	128,531
2028	80,000	51,206	131,206
2029	85,000	48,731	133,731
2030	85,000	46,022	131,022
2031	90,000	43,069	133,069
2032	95,000	39,947	134,947
2033	100,000	36,594	136,594
2034	105,000	33,006	138,006
2035	110,000	29,244	139,244
2036	110,000	25,325	135,325
2037	115,000	21,247	136,247
2038	120,000	16,988	136,988
2039	125,000	12,469	137,469
2040	130,000	7,688	137,688
2041	140,000	2,625	142,625
Totals	$ 2,030,000	$ 896,485	$ 2,926,485

West Ranch Management District,
a Component Unit of the City of Friendswood
Schedule of Long-term Debt Service Requirements by Years (Continued)
July 31, 2019

	Series 2015		
Due During Fiscal Years Ending July 31	Principal Due September 1	Interest Due September 1, March 1	Total
2020	$ 350,000	$ 173,503	$ 523,503
2021	355,000	165,039	520,039
2022	365,000	155,129	520,129
2023	375,000	143,745	518,745
2024	385,000	131,104	516,104
2025	400,000	117,263	517,263
2026	415,000	102,281	517,281
2027	430,000	86,438	516,438
2028	445,000	69,196	514,196
2029	465,000	50,427	515,427
2030	485,000	30,834	515,834
2031	505,000	10,416	515,416
Totals	$ 4,975,000	$ 1,235,375	$ 6,210,375

West Ranch Management District,
a Component Unit of the City of Friendswood
Schedule of Long-term Debt Service Requirements by Years (Continued)
July 31, 2019

	Series 2016		
Due During Fiscal Years Ending July 31	Principal Due September 1	Interest Due September 1, March 1	Total
2020	$ -	$ 67,306	$ 67,306
2021	-	67,306	67,306
2022	-	67,306	67,306
2023	-	67,306	67,306
2024	-	67,306	67,306
2025	-	67,306	67,306
2026	-	67,306	67,306
2027	-	67,306	67,306
2028	-	67,306	67,306
2029	-	67,306	67,306
2030	-	67,306	67,306
2031	-	67,306	67,306
2032	185,000	63,606	248,606
2033	195,000	56,006	251,006
2034	195,000	49,182	244,182
2035	195,000	43,332	238,332
2036	210,000	37,256	247,256
2037	215,000	30,882	245,882
2038	220,000	24,220	244,220
2039	215,000	17,422	232,422
2040	225,000	10,547	235,547
2041	225,000	3,516	228,516
Totals	$ 2,080,000	$ 1,143,641	$ 3,223,641

West Ranch Management District,
a Component Unit of the City of Friendswood

Schedule of Long-term Debt Service Requirements by Years (Continued)

July 31, 2019

		Refunding Series 2016		
Due During Fiscal Years Ending July 31		Principal Due September 1	Interest Due September 1, March 1	Total
2020		$ 115,000	$ 30,575	$ 145,575
2021		120,000	27,050	147,050
2022		125,000	23,375	148,375
2023		125,000	20,250	145,250
2024		130,000	17,700	147,700
2025		130,000	13,800	143,800
2026		135,000	8,500	143,500
2027		145,000	2,900	147,900
	Totals	$ 1,025,000	$ 144,150	$ 1,169,150

West Ranch Management District,
a Component Unit of the City of Friendswood
Schedule of Long-term Debt Service Requirements by Years (Continued)
July 31, 2018

	Annual Requirements For All Series		
Due During Fiscal Years Ending July 31	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2020	$ 830,000	$ 907,460	$ 1,737,460
2021	850,000	883,383	1,733,383
2022	885,000	856,611	1,741,611
2023	910,000	827,740	1,737,740
2024	940,000	797,142	1,737,142
2025	975,000	762,451	1,737,451
2026	1,020,000	723,740	1,743,740
2027	1,055,000	683,026	1,738,026
2028	1,115,000	639,561	1,754,561
2029	1,165,000	592,952	1,757,952
2030	1,120,000	545,245	1,665,245
2031	1,165,000	496,591	1,661,591
2032	885,000	452,100	1,337,100
2033	925,000	411,864	1,336,864
2034	965,000	370,722	1,335,722
2035	1,005,000	328,710	1,333,710
2036	1,050,000	284,677	1,334,677
2037	1,095,000	238,519	1,333,519
2038	1,145,000	190,054	1,335,054
2039	1,190,000	138,901	1,328,901
2040	1,245,000	85,099	1,330,099
2041	1,300,000	28,789	1,328,789
Totals	$ 22,835,000	$ 11,245,337	$ 34,080,337

West Ranch Management District,
a Component Unit of the City of Friendswood
Changes in Long-term Bonded Debt
Year Ended July 31, 2019

	Bond				
	Series 2010	Road Series 2010A	Series 2012A	Road Series 2013	Series 2013
Interest rates	3.25% to 5.25%	3.50% to 5.00%	3.50% to 4.10%	2.00% to 3.00%	3.00% to 5.00%
Dates interest payable	September 1/ March 1	September 1/ March 1	September 1/ March 1	September 1/ March 1	September 1/ March 1
Maturity dates	September 1, 2019/2040	September 1, 2019/2040	September 1, 2027/2040	September 1, 2019/2028	September 1, 2019/2040
Bonds outstanding, beginning of current year	$ 6,055,000	$ 1,630,000	$ 3,110,000	$ 1,030,000	$ 1,195,000
Retirements, principal	135,000	35,000	-	95,000	30,000
Bonds outstanding, end of current year	$ 5,920,000	$ 1,595,000	$ 3,110,000	$ 935,000	$ 1,165,000
Interest paid during current year	$ 299,163	$ 78,311	$ 122,710	$ 26,950	$ 52,975

Paying agent's name and address:

Series 2010 - Wells Fargo Bank, N.A.
Series 2010A - Wells Fargo Bank, N.A.
Series 2012A - Regions Bank
Series 2013 - Regions Bank
Series 2013 - Regions Bank
Series 2014 - Regions Bank
Series 2015 - Regions Bank
Series 2016 - Regions Bank
Series 2016 - Regions Bank

Bond authority:

	Tax Bonds	Other Bonds	Refunding Bonds
Amount authorized by voters	$ 29,750,000	0	$ 17,850,000
Amount issued	$ 25,975,000	0	$ -
Remaining to be issued	$ 3,775,000	0	$ 17,850,000

Debt service fund cash and temporary investment balances as of July 31, 2019:	$ 2,330,340
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 1,549,106

Issues

Road Series 2014	Series 2015	Series 2016	Refunding Series 2016	Totals
2.00% to 3.75%	1.300% to 4.125%	3.00% to 4.00%	2.00% to 4.00%	
September 1/ March 1	September 1/ March 1	September 1/ March 1	September 1/ March 1	
September 1, 2019/2040	September 1, 2019/2030	September 1, 2031/2040	September 1, 2019/2026	
$ 2,085,000	$ 5,315,000	$ 2,080,000	$ 1,135,000	$ 23,635,000
55,000	340,000	-	110,000	800,000
$ 2,030,000	$ 4,975,000	$ 2,080,000	$ 1,025,000	$ 22,835,000
$ 66,956	$ 180,245	$ 67,306	$ 33,400	$ 928,016

West Ranch Management District,
a Component Unit of the City of Friendswood
Comparative Schedule of Revenues and Expenditures – General Fund
Five Years Ended July 31,

	Amounts				
	2019	2018	2017	2016	2015
General Fund					
Revenues					
Property taxes	$ 520,386	$ 502,685	$ 357,386	$ 498,321	$ 410,267
Investment income	26,401	5,000	2,330	1,546	1,229
Total revenues	546,787	507,685	359,716	499,867	411,496
Expenditures					
Service operations:					
Professional fees	72,741	90,011	120,964	105,046	78,927
Contracted services	11,025	11,513	10,800	11,550	10,875
Repairs and maintenance	85,369	72,776	74,367	66,512	38,835
Other expenditures	20,634	7,214	6,219	6,726	6,211
Capital outlay	156,396	30,126	-	-	78,509
Debt service, debt issuance costs	-	-	1,255	-	-
Total expenditures	346,165	211,640	213,605	189,834	213,357
Excess of Revenues Over Expenditures	200,622	296,045	146,111	310,033	198,139
Other Financing Sources					
Interfund transfers in	-	-	3,589	54,600	509
Excess of Revenues and Transfers In Over Expenditures and Transfers Out	200,622	296,045	149,700	364,633	198,648
Fund Balance, Beginning of Year	1,495,797	1,199,752	1,050,052	685,419	486,771
Fund Balance, End of Year	$ 1,696,419	$ 1,495,797	$ 1,199,752	$ 1,050,052	$ 685,419
Total Active Retail Water Connections	N/A	N/A	N/A	N/A	N/A
Total Active Retail Wastewater Connections	N/A	N/A	N/A	N/A	N/A

Percent of Fund Total Revenues				
2019	2018	2017	2016	2015
95.2 %	99.0 %	99.4 %	99.7 %	99.7 %
4.8	1.0	0.6	0.3	0.3
100.0	100.0	100.0	100.0	100.0
13.3	17.7	33.6	21.0	19.2
2.0	2.3	3.0	2.3	2.6
15.6	14.4	20.7	13.3	6.3
3.8	1.4	1.7	1.4	4.7
28.6	5.9	-	-	19.1
-	-	0.4	-	-
63.3	41.7	59.4	38.0	51.9
36.7 %	58.3 %	40.6 %	62.0 %	48.1 %

West Ranch Management District,
a Component Unit of the City of Friendswood
Comparative Schedule of Revenues and Expenditures – Debt Service Fund
Five Years Ended July 31,

	Amounts				
	2019	2018	2017	2016	2015
Debt Service Fund					
Revenues					
Property taxes	$ 1,821,439	$ 1,788,356	$ 1,818,029	$ 1,660,518	$ 1,248,257
Penalty and interest	11,457	12,517	14,946	14,293	10,476
Investment income	15,419	5,158	3,037	1,963	1,567
Total revenues	1,848,315	1,806,031	1,836,012	1,676,774	1,260,300
Expenditures					
Service operations:					
Professional fees	2,494	3,807	1,811	1,018	1,295
Contracted services	34,632	32,833	27,333	25,203	22,100
Other expenditures	5,543	21,474	3,223	9,405	3,433
Debt service:					
Principal retirement	800,000	795,000	425,000	410,000	330,000
Interest and fees	934,552	950,612	924,198	844,958	701,285
Debt issuance costs	-	-	50,680	-	-
Debt defeasance	-	-	8,000	-	-
Total expenditures	1,777,221	1,803,726	1,440,245	1,290,584	1,058,113
Excess of Revenues Over Expenditures	71,094	2,305	395,767	386,190	202,187
Other Financing Sources (Uses)					
General obligation bonds issued	-	-	1,255,000	93,735	70,506
Premium on debt issued	-	-	80,979	-	-
Deposit with escrow agent	-	-	(1,285,299)	-	-
Total other financing sources	0	0	50,680	93,735	70,506
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	71,094	2,305	446,447	479,925	272,693
Fund Balance, Beginning of Year	2,244,846	2,242,541	1,796,094	1,316,169	1,043,476
Fund Balance, End of Year	$ 2,315,940	$ 2,244,846	$ 2,242,541	$ 1,796,094	$ 1,316,169

Percent of Fund Total Revenues				
2019	2018	2017	2016	2015
98.6 %	99.0 %	99.0 %	99.0 %	99.1 %
0.6	0.7	0.8	0.9	0.8
0.8	0.3	0.2	0.1	0.1
100.0	100.0	100.0	100.0	100.0
0.1	0.2	0.1	0.1	0.1
1.9	1.8	1.5	1.5	1.8
0.3	1.2	0.2	0.6	0.3
43.3	44.0	23.2	24.4	26.2
50.6	52.7	50.3	50.4	55.6
-	-	2.7	-	-
-	-	0.4	-	-
96.2	99.9	78.4	77.0	84.0
3.8 %	0.1 %	21.6 %	23.0 %	16.0 %

West Ranch Management District,
a Component Unit of the City of Friendswood
Board Members, Key Personnel and Consultants
Year Ended July 31, 2019

Complete District mailing address:	West Ranch Management District, a Component Unit of the City of Friendswood c/o Allen Boone Humphries Robinson LLP 3200 Southwest Freeway, Suite 2600 Houston, Texas 77027	
District business telephone number:	713.860.6400	
Submission date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):		June 26, 2019
Limit on fees of office that a director may receive during a fiscal year:		$ 7,200

Board Members	Term of Office Elected & Expires	Fees*	Expense Reimbursements	Title at Year-end
Brian Gibson	Appointed 06/17-06/21	$ 0	$ 0	President
Sawyer Blackburn	Appointed 06/19-06/23	0	0	Vice President/ Assistant Secretary
Doug Konopka	Appointed 06/17-06/21	0	0	Secretary
J.J. Stanford	Appointed 06/17-06/21	0	0	Director
Meredith D. Levine	Appointed 06/19-06/23	0	0	Director
Frank Harper	Appointed 09/16-06/19	0	0	Term Expired

*The District is a management district, therefore, no directors' fees are paid.

West Ranch Management District,
a Component Unit of the City of Friendswood
Board Members, Key Personnel and Consultants (Continued)
Year Ended July 31, 2019

Consultants	Date Hired	Fees and Expense Reimbursements	Title
Allen Boone Humphries Robinson LLP	08/24/05	$ 40,001	General Counsel
Assessments of the Southwest, Inc.	10/01/05	18,227	Tax Assessor/ Collector
BGE, Inc.	02/01/06	82,773	Engineer
BKD, LLP	09/06/06	15,900	Auditor
Galveston Central Appraisal District	Legislative Action	18,976	Appraiser
Myrtle Cruz, Inc.	10/05/05	12,121	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	05/03/06	2,494	Delinquent Tax Attorney
Robert W. Baird & Co., Inc.	02/04/15	0	Financial Advisor
Investment Officer			
Mary Jarmon	11/06/13	N/A	Bookkeeper

APPENDIX B

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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)