OFFICIAL STATEMENT DATED AUGUST 19, 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 HAVE **NOT** BEEN DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS. SEE "TAX MATTERS–NOT QUALIFIED TAX-EXEMPT OBLIGATIONS."

NEW ISSUE-Book-Entry Only

Insured Rating (BAM): S&P "AA" (stable outlook)
Underlying Rating: Moody's "Baa1"
See "MUNICIPAL BOND RATING" and "MUNICIPAL BOND INSURANCE" herein.

$2,450,000

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
(A political subdivision of the State of Texas located within Fort Bend County)
UNLIMITED TAX REFUNDING BONDS
SERIES 2020A

The bonds described above (the "Bonds") are obligations solely of Fort Bend County Municipal Utility District No. 143 (the "District") and are not obligations of the State of Texas, Fort Bend County, the City of Houston, or any entity other than the District.

The Bonds, when issued, will constitute valid and legally binding obligations of the District and will be payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property within the District. THE BONDS ARE SUBJECT TO SPECIAL INVESTMENT CONSIDERATIONS DESCRIBED HEREIN. See "INVESTMENT CONSIDERATIONS."

Dated Date: September 15, 2020 **Due: March 1, as shown below**

Principal of the Bonds is payable at maturity or earlier redemption at the principal payment office of the paying agent/registrar, initially The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the "Paying Agent/Registrar") upon surrender of the Bonds for payment. Interest on the Bonds accrues from September 15, 2020, and is payable each March 1 and September 1, commencing March 1, 2021, until maturity or prior redemption. The Bonds will be issued only in fully registered form in denominations of $5,000 each or integral multiples thereof. The Bonds are subject to redemption prior to their maturity, as shown below.

The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Beneficial owners of the Bonds will not receive physical certificates representing the Bonds, but will receive a credit balance on the books of the nominees of such beneficial owners. So long as Cede & Co. is the Registered Owner of the Bonds, the principal of and interest on the Bonds will be paid by the Paying Agent/Registrar directly to DTC, which will, in turn, remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM."

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by BUILD AMERICA MUTUAL ASSURANCE COMPANY. See "MUNICIPAL BOND INSURANCE" herein.

MATURITY SCHEDULE

Principal Amount	Maturity (March 1)	CUSIP Number(b)	Interest Rate	Initial Reoffering Yield(a)	Principal Amount	Maturity (March 1)	CUSIP Number(b)	Interest Rate	Initial Reoffering Yield(a)
$ 225,000	2022	34681V RY4	2.00 %	0.69 %	$ 240,000	2027 (c)	34681V SD9	2.00 %	1.37 %
230,000	2023	34681V RZ1	2.00	0.77	240,000	2028 (c)	34681V SE7	2.00	1.50
230,000	2024	34681V SA5	2.00	0.90	245,000	2029 (c)	34681V SF4	2.00	1.63
235,000	2025	34681V SB3	2.00	1.04	250,000	2030 (c)	34681V SG2	2.00	1.91
240,000	2026	34681V SC1	2.00	1.20					

$115,000 Term Bonds due March 1, 2032 (c), 34681V SJ6 (b), 2.00% Interest Rate, 2.14% Yield (a)
$200,000 Term Bonds due March 1, 2036 (c), 34681V SN7 (b), 2.00% Interest Rate, 2.32% Yield (a)

(a) Initial reoffering yield represents the initial offering yield to the public which has been established by the Underwriter (as herein defined) for offers to the public and which may be subsequently changed by the Underwriter and is the sole responsibility of the Underwriter. The initial reoffering yields indicated above represent the lower of the yields resulting when priced at maturity or to the first call date. Accrued interest from September 15, 2020, is to be added to the price.

(b) CUSIP Numbers have been assigned to the Bonds by CUSIP Service Bureau and are included solely for the convenience of the purchasers of the Bonds. Neither the District nor the Underwriter shall be responsible for the selection or correctness of the CUSIP Numbers set forth herein.

(c) Bonds maturing on and after March 1, 2027, are subject to redemption prior to maturity at the option of the District, in whole or from time to time in part, on March 1, 2026, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest to the date fixed for redemption. The Term Bonds (as defined herein) are also subject to mandatory sinking fund redemption as more fully described herein. See "THE BONDS—Redemption Provisions."

The Bonds are offered by the Underwriter subject to prior sale, when, as and if issued by the District and accepted by the Underwriter, subject, among other things, to the approval of the Bonds by the Attorney General of Texas and the approval of certain legal matters by Allen Boone Humphries Robinson LLP, Bond Counsel. See "LEGAL MATTERS." Certain legal matters will be reviewed by McCall, Parkhurst & Horton L.L.P., Houston, Texas, as Underwriter's Counsel. Delivery of the Bonds in book-entry form through DTC is expected on or about September 22, 2020.

SAMCO CAPITAL

TABLE OF CONTENTS

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 representation must not be relied upon as having been authorized by the District.

This OFFICIAL STATEMENT is not to be used in an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

All of the summaries of the statutes, 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 Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas, 77027-7528 upon payment of the costs of duplication therefor.

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

SALE AND DISTRIBUTION OF THE BONDS

The Underwriter

The Bonds are being purchased by SAMCO Capital Markets, Inc. (the "Underwriter") pursuant to a bond purchase agreement with the District (the "Bond Purchase Agreement") at a price of $2,472,476.93 (representing the par amount of the Bonds of $2,450,000.00, plus a net premium on the Bonds of $49,557.00, less an Underwriter's discount of $27,080.07) plus accrued interest. The Underwriter's obligation is to purchase all of the Bonds, if any are purchased. See "PLAN OF FINANCING—Sources and Uses of Funds."

Prices and Marketability

The prices and other terms with respect to the offering and sale of the Bonds may be changed at any 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 that stabilize or maintain the market prices of the Bonds at levels above those that 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 guarantee that a secondary market will be made in the Bonds. In such a secondary market, the difference between the bid and asked price of utility district bonds may be greater than the difference between the bid and asked price 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 offer and sale of the Bonds has been filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended, in reliance upon the exemptions provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been registered or qualified under the securities laws of any other jurisdiction. The District assumes no responsibility for registration or qualification of the Bonds under the securities laws of any other jurisdiction in which the Bonds may be offered, sold or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions in such other jurisdiction.

OFFICIAL STATEMENT SUMMARY

The following is a brief summary of certain information contained herein which is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this OFFICIAL STATEMENT. The summary should not be detached and should be used in conjunction with more complete information contained herein. A full review should be made of the entire Official Statement and of the documents summarized or described therein.

INFECTIOUS DISEASE OUTLOOK (COVID-19)

General... 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.

Impact… 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 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.

While the potential impact of Pandemic on the District cannot be quantified at this time, the continued outbreak of Pandemic 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. See "INVESTMENT CONSIDERATIONS—Infectious Disease Outlook (COVID-19)."

HURRICANES AND TROPICAL STORMS

General... The greater Houston area, including the District, is subject to occasional severe weather events, including tropical storms and hurricanes. If the District were to sustain damage to its facilities requiring substantial repair or replacement, or if substantial damage were to occur to taxable property within the District as a result of such a weather event, the investment security of the Bonds could be adversely affected. The greater Houston area has experienced four storms exceeding a 0.2% probability (i.e. "500-year flood" events) since 2015 including Hurricane Harvey, which made landfall along the Texas Gulf Coast on August 26, 2017, and brought historic levels of rainfall during the successive four days.

Impact on the District... According to Environmental Development Partners, LLC (the "Operator") and Jones & Carter, Inc. (the "Engineer"), the District's water and sewer system did not sustain any material damage and there was no interruption of water and sewer service as a result of Hurricane Harvey. Further, the District did not receive any reports of homes, apartments or commercial improvements within the District that experienced structural flooding or other material damage as a result of Hurricane Harvey.

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

THE DISTRICT

Description... The District is a political subdivision of the State of Texas, created by order of the Texas Commission on Environmental Quality ("TCEQ"), on November 4, 2003, and operates pursuant to Chapters 49 and 54 of the Texas Water Code. The District contains approximately 815 acres of land, including approximately 166 acres recently annexed. The District has entered into an annexation agreement with Ventana Development McCrary, Ltd. to potentially annex 310 acres in phases into the District. The annexation is conditioned upon (1) receipt of a petition for annexation from the landowners and (2) City of Houston consent. On November 20, 2019, the City of Houston consented to and approved the annexation of approximately 166 acres out of 310 acres. The remainder may be considered for annexation in the future. See "THE BONDS—Issuance of Additional Debt," "THE DISTRICT," and "INVESTMENT CONSIDERATIONS—Future Debt."

Location... The District is located approximately 23 miles southwest of the central downtown business district of the City of Houston and lies wholly within the extraterritorial jurisdiction of the City of Houston and a portion within the boundaries of the Fort Bend Independent School District and the remaining portion within the boundaries of the Lamar Consolidated Independent School District. The District is generally located west of Harlem Road and north of Texas State Highway 99 (the "Grand Parkway"). A noncontiguous tract of the District is located north of Clayhead Road and east of McCrary Road. See "THE DISTRICT."

The Developers... A majority of the development within the District has been conducted by Ventana Development Mortin, Ltd., a Texas limited partnership and Ventana Development McCrary, Ltd., a Texas limited partnership (collectively, the "Ventana Partnerships"). The general partners of the Ventana Partnerships are Mortin Road, LLC and McCrary Road, LLC, and the co-managers of the Ventana Partnerships are James Bruce Grover, James Bruce Grover, Jr., and Paul Savage Grover. The Ventana Partnerships have completed the development of Waterview Estates and McCrary Meadows. Additionally, utility construction is currently underway for 229 single-family residential lots on approximately 58 acres within the District with completion expected by the first quarter of 2021. The Ventana Partnerships continue to own approximately 44 acres for future development in the District.

Approximately 121 acres of multifamily/retail use property within the District served by underground trunkline water distribution, wastewater collection, and storm drainage facilities were developed by 99 Grand Mission, LLC ("Grand Mission").

The Ventana Partnerships and Grand Mission are collectively referred to herein as the "Developers." See "THE DEVELOPERS."

Status of Development... To date, residential development in the District has been developed as Waterview Estates and McCrary Meadows. Currently the development in the District collectively includes 1,928 single-family residential lots constructed on approximately 482 acres. As of July 11, 2020, 1,672 homes were completed (1,668 occupied), 89 homes were under construction or continue to be in a builder's name and 167 vacant developed lots were available for home construction (primarily in McCrary Meadows). According to the District's 2020 tax rolls, the average house value in the District ranges from approximately $179,000 to approximately $339,000 in Waterview Estates and from approximately $215,000 to approximately $325,000 in McCrary Meadows.

In addition to residential development, approximately 121 acres within the District are served by underground trunkline water distribution, wastewater collection, and storm drainage facilities for commercial/multi-family use. Echelon on 99, a 256-unit apartment community has been constructed on approximately 11 of such 121 acres within the District and according to property management, the apartment community is approximately 97% occupied. In addition, Academy Sports and Outdoors and At Home retail store have been constructed on approximately 12 acres and 26,000 square-feet of retail/commercial development have been constructed on approximately 6 acres. Additionally, Spec's liquor store, Chipotle Mexican Grill, Quick-Quack Car Wash, Jersey Mike Subs, Fuji Sushi Grill, Valvoline Instant Oil Change, Texas Roadhouse, LA Fitness Chick-fil-a and Whataburger have been constructed on approximately 15 acres. No other vertical improvements have been constructed on the remaining 79 commercial acres. The development in the District also includes several recreational facilities that includes pools, a baseball field, a splash pad and tennis courts on approximately 15 acres in the District. Approximately 44 developable acres (all within McCrary Meadows) have not been provided with water distribution, wastewater collection and storm drainage facilities and approximately 95 acres within the District are not developable (rights-of-way, detention, open spaces, easements and utility sites). See "THE DISTRICT."

Builders… Lennar Homes of Texas and Devon Street Homes have contracted for all of the lots in McCrary Meadows, Sections One, Two, Two Partial Re-Plat Extension No. One, Three, Four, and Five and homebuilding is ongoing. See "THE DEVELOPERS—Builders."

Payment Record... The District has previously issued $50,820,000 principal amount of unlimited tax bonds for the purpose of purchasing and constructing water, sewer, and drainage facilities ("Water, Sewer, and Drainage Facilities") in the District, $2,000,000 principal amount of unlimited tax bonds for the purpose of purchasing and constructing parks and recreational facilities and $13,640,000 principal amount of unlimited tax refunding bonds for the purpose of refunding outstanding bonds of the District. The District currently has $45,590,000 principal amount of bonds outstanding (the "Outstanding Bonds") as of the date hereof. The District has never defaulted on its debt service obligations. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Outstanding Bonds."

Future Debt... The District has filed a bond application to the Texas Commission on Environmental Quality (the "TCEQ") requesting authorization to issue approximately $11,960,000 principal amount of unlimited tax bonds for water, sewer and drainage facilities. The District anticipates issuance of such bonds in the fourth quarter of 2020. See "THE BONDS—Issuance of Additional Debt" and "INVESTMENT CONSIDERATIONS—Future Debt."

THE BONDS

Description... The $2,450,000 Unlimited Tax Refunding Bonds, Series 2020A (the "Bonds") are being issued as fully registered bonds pursuant to a resolution authorizing the issuance of the Bonds adopted by the District's Board of Directors. The Bonds are scheduled to mature serially on March 1 in each of the years 2022 through 2030, both inclusive, and as term bonds on March 1 in each of the years 2032 and 2036 (the "Term Bonds") in the principal amounts and on the dates shown on the cover page hereof. The Bonds will be issued in denominations of $5,000 or integral multiples of $5,000. Interest on the Bonds accrues from September 15, 2020, and is payable March 1, 2021, and each September 1 and March 1 thereafter, until the earlier of maturity or prior redemption. See "THE BONDS."

Book-Entry-Only System… The Depository Trust Company (defined as "DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds and will be deposited with DTC. See "BOOK-ENTRY-ONLY SYSTEM."

Redemption... Bonds maturing on or after March 1, 2027, are subject to redemption in whole, or from time to time in part, at the option of the District prior to their maturity dates on March 1, 2026, or on any date thereafter at a price of par value plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. The Term Bonds are also subject to mandatory sinking fund redemption as more fully described herein. See "THE BONDS—Redemption Provisions."

Use of Proceeds... Proceeds from the sale of the Bonds, together with available debt service funds, will be used to pay certain costs incurred in connection with the issuance of the Bonds and to currently refund and defease $2,455,000 of the Outstanding Bonds in order to achieve net savings in the District's annual debt service expense. The bonds to be refunded and discharged with Bond proceeds are referred to herein as the "Refunded Bonds." After the

	issuance of the Bonds, $43,135,000 principal amount of the Outstanding Bonds will remain outstanding (the "Remaining Outstanding Bonds"). See "PLAN OF FINANCING—Refunded Bonds" and "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Outstanding Bonds."
Authority for Issuance...	The Bonds are the fifth series of bonds issued out of an aggregate of $31,000,000 principal amount of unlimited tax bonds authorized by the District's voters for the purpose of refunding outstanding bonds of the District. The Bonds are issued by the District pursuant to the terms and conditions of the Bond Resolution, Article XVI, Section 59 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, Chapter 1207 of the Texas Government Code, as amended, City of Houston Ordinance No. 97-416, and general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas. See "THE BONDS—Authority for Issuance," "—Issuance of Additional Debt" and "INVESTMENT CONSIDERATIONS—Future Debt."
Source of Payment...	Principal of and interest on the Bonds and the Remaining Outstanding Bonds are payable from the proceeds of a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property within the District. The Bonds are obligations solely of the District and are not obligations of the State of Texas, Fort Bend County, the City of Houston, or any entity other than the District. See "THE BONDS—Source of Payment."
Municipal Bond Rating and Municipal Bond Insurance...	It is expected that S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, ("S&P") will assign a municipal bond rating of "AA" (stable outlook) to this issue of Bonds with the understanding that upon delivery of the Bonds, a municipal bond insurance policy insuring the timely payment of the principal of and interest on the Bonds will be issued by Build America Mutual Assurance Company ("BAM" or the "Insurer"). The Bonds also have been assigned an underlying credit rating of "Baa1" by Moody's Investors Service ("Moody's") without regard to credit enhancement. See "INVESTMENT CONSIDERATIONS—Risk Factors Related to the Purchase of Municipal Bond Insurance," "MUNICIPAL BOND RATING," "MUNICIPAL BOND INSURANCE," and "APPENDIX B."
Not Qualified Tax-Exempt Obligations...	The Bonds have **not** been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b) of the Internal Revenue Code of 1986, as amended.
Bond Counsel...	Allen Boone Humphries Robinson LLP, Houston, Texas. See "MANAGEMENT OF THE DISTRICT," "LEGAL MATTERS," and "TAX MATTERS."
Financial Advisor...	Masterson Advisors LLC, Houston, Texas. See "MANAGEMENT OF THE DISTRICT."
Underwriter's Counsel...	McCall, Parkhurst & Horton L.L.P., Houston, Texas.
Paying Agent/Registrar...	The Bank of New York Mellon Trust Company, N.A., Dallas, Texas. See "THE BONDS—Method of Payment of Principal and Interest."
Paying Agent for the Refunded Bonds...	The Bank of New York Mellon Trust Company, N.A., Dallas, Texas. See "PLAN OF FINANCING—Defeasance of Refunded Bonds."
Verification Agent...	Public Finance Partners LLC, Rockford, Minnesota. See "VERIFICATION OF MATHEMATICAL CALCULATIONS."

INVESTMENT CONSIDERATIONS

The purchase and ownership of the Bonds are subject to special INVESTMENT CONSIDERATIONS and all prospective purchasers are urged to examine carefully this entire Official Statement with respect to the investment security of the Bonds, including particularly the section captioned "INVESTMENT CONSIDERATIONS."

SELECTED FINANCIAL INFORMATION (UNAUDITED)

2020 Taxable Assessed Valuation	$484,416,542	(a)
Gross Direct Debt Outstanding (the Remaining Outstanding Bonds and the Bonds)	$45,585,000	(b)
Estimated Overlapping Debt	46,317,045	(c)
Gross Direct Debt and Estimated Overlapping Debt	$91,902,045	
Ratio of Gross Direct Debt to:		
2020 Taxable Assessed Valuation	9.41%	
Ratio of Gross Direct Debt and Estimated Overlapping Debt to:		
2020 Taxable Assessed Valuation	18.97%	
Debt Service Fund Balance as of August 3, 2020	$4,231,616	(d)
Operating Funds Available as of August 3, 2020	$3,156,584	
Capital Projects Funds Available as of August 3, 2020	$1,767,837	
2020 Debt Service Tax Rate	$0.80	
2020 Maintenance Tax Rate	0.38	
2020 Total Tax Rate	$1.18	(e)
Average Annual Debt Service Requirement (2021-2043)	$2,551,158	(f)
Maximum Annual Debt Service Requirement (2022)	$3,478,219	(f)
Tax Rate Required to Pay Average Annual Debt Service Requirement (2021-2043) at a 95% Collection Rate Based upon 2020 Taxable Assessed Valuation	$0.56	(g)
Tax Rate Required to Pay Maximum Annual Debt Service Requirement (2022) at a 95% Collection Rate Based upon 2020 Taxable Assessed Valuation	$0.76	(g)
Status of Development as of July 11, 2020 (h):		
Total Developed Lots	1,928	
Homes Completed (1,668 Occupied Homes)	1,672	
Homes Under Construction or in a Builder's Name	89	
Lots Available for Home Construction	167	
Commercial	(h)	
Estimated Population	6,335	(i)

(a) The 2020 Taxable Assessed Valuation shown herein includes $478,988,722 of certified value and $5,427,820 of uncertified value provided by the Fort Bend Central Appraisal District (the "Appraisal District"). The uncertified value represents the Appraisal District's opinion of the value; however, such value is subject to review and downward adjustment prior to certification. No tax will be levied on said uncertified value until it is certified by the Appraisal District. See "TAXING PROCEDURES."

(b) After the issuance of the Bonds and refunding of the Refunded Bonds. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Outstanding Bonds."

(c) See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Estimated Overlapping Debt."

(d) The District intends to apply $98,000 of debt service funds for the purpose of which the Bonds are being issued. Neither Texas law nor the Bond Resolution requires the District to maintain any particular balance in the Debt Service Fund.

(e) The District authorized publication of its intent to levy a total tax rate of $1.18 per $100 of taxable assessed valuation, of which $0.80 per $100 of taxable assessed valuation is allocated to debt service and $0.38 per $100 of taxable assessed valuation is allocated to maintenance and operations.

(f) See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Debt Service Requirements."

(g) See "TAX DATA—Tax Adequacy for Debt Service."

(h) See "THE DISTRICT—Land Use—Status of Development."

(i) Based upon 3.5 persons per occupied single-family residence and 2.0 persons per multi-family unit, assumed at 97% occupancy.

OFFICIAL STATEMENT

$2,450,000

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
(A political subdivision of the State of Texas located within Fort Bend County)

UNLIMITED TAX REFUNDING BONDS
SERIES 2020A

This OFFICIAL STATEMENT provides certain information in connection with the issuance by Fort Bend County Municipal Utility District No. 143 (the "District") of its $2,450,000 Unlimited Tax Refunding Bonds, Series 2020A (the "Bonds").

The Bonds are issued pursuant to Article XVI, Section 59 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, as amended, Chapter 1207 of the Texas Government Code, as amended, the general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas, City of Houston Ordinance 97-416, an election held within the District and a resolution authorizing the issuance of the Bonds (the "Bond Resolution") adopted by the Board of Directors of the District (the "Board").

This OFFICIAL STATEMENT includes descriptions, among others, of the Bonds and the Bond Resolution, and certain other information about the District, Ventana Development Mortin, Ltd., Ventana Development McCrary, Ltd. (collectively, the "Ventana Partnerships"), 99 Grand Mission, LLC ("Grand Mission"), and development activity in the District. The Ventana Partnerships and Grand Mission are collectively referred to herein as the "Developers." All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each document. Copies of documents may be obtained from Allen Boone Humphries Robinson LLP, Bond Counsel, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027.

PLAN OF FINANCING

Purpose

At a bond election held within the District on May 15, 2004 voters of the District authorized the issuance of $31,000,000 principal amount of unlimited tax refunding bonds for the purpose refunding outstanding bonds. The District currently has $45,590,000 principal amount of bonds outstanding (the "Outstanding Bonds") as of the date hereof.

The proceeds of the Bonds and lawfully available debt service funds, will be used to currently refund and defease a portion of the District's Unlimited Tax Refunding Bonds, Series 2013, Unlimited Tax Bonds, Series 2013A, Unlimited Tax Bonds, Series 2013C totaling $2,455,000 (the "Refunded Bonds") in order to achieve a net savings in the District's debt service expense. See "Refunded Bonds" herein. The proceeds will also be used to pay the costs of issuance of the Bonds. See "Sources and Uses of Funds" herein. A total of $43,135,000 in principal amount of the Outstanding Bonds will remain outstanding after the issuance of the Bonds (the "Remaining Outstanding Bonds") as of as of the date hereof. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Outstanding Bonds."

Refunded Bonds

Proceeds of the Bonds and lawfully available debt service funds, will be applied to currently refund and defease the Refunded Bonds in the principal amounts and with maturity dates set forth below and to pay certain costs of issuing the Bonds.

Maturity Date September 1	Series 2013A	Series 2013C	Series 2013 Refunding
2021	$ 30,000	$ 40,000	
2022	30,000	40,000	$ 130,000
2023	30,000	40,000	135,000
2024	30,000	40,000	140,000
2025	30,000	40,000	145,000
2026	30,000	40,000	155,000
2027	30,000	40,000	160,000
2028	25,000	40,000	165,000
2029	25,000	40,000	175,000
2030	25,000	40,000	185,000
2031	25,000	40,000	-
2032	25,000	40,000	-
2033	25,000	40,000	-
2034	25,000	40,000	-
2035	25,000	35,000	-
2036	25,000	35,000	-
	$ 435,000	$ 630,000	$ 1,390,000
Redemption Date:	September 24, 2020	September 24, 2020	September 24, 2020

Sources and Uses of Funds

The proceeds derived from the sale of the Bonds, exclusive of accrued interest, along with lawfully available funds of the District, will be applied as follows:

Sources of Funds:	
Principal Amount of the Bonds	$2,450,000.00
Plus: Net Premium on the Bonds	49,557.00
Plus: Transfer from Debt Service Fund	98,000.00
Total Sources of Funds	$2,597,557.00
Uses of Funds:	
Cash Deposit to Payment Account	$2,460,875.87
Issuance Expenses and Underwriter's Discount (a)	136,681.13
Total Uses of Funds	$2,597,557.00

(a) Includes municipal bond insurance premium.

Defeasance of Refunded Bonds

The Refunded Bonds and the interest due thereon, are to be paid on the redemption date from funds to be deposited with The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, as paying agent for the Refunded Bonds. The Bond Resolution provides that from the proceeds of the sale of the Bonds, along with lawfully available debt service funds, if any, the District will deposit with the Paying Agent for the Refunded Bonds the amount necessary to accomplish the discharge and final payment of the Refunded Bonds. Such funds will be held by the Paying Agent for the Refunded Bonds in a segregated payment account (the "Payment Account"). At the time of delivery of the Bonds, Public Finance Partners, LLC, will verify to the District, the Paying Agent for the Refunded Bonds, Bond Counsel, and the Financial Advisor that the monies held in the Payment Account are sufficient to pay, when due, the principal of and interest on the Refunded Bonds. See "VERIFICATION OF MATHEMATICAL CALCULATIONS." By the deposit of the cash with the Paying Agent for the Refunded Bonds and the making of irrevocable arrangements for the giving of notice of redemption of the Refunded Bonds, the terms of the prior resolution of the District securing payment of the Refunded Bonds shall have been satisfied and such Refunded Bonds will no longer be considered outstanding except for the payment out of the amounts so deposited in the Payment Account, and the amounts so deposited in the Payment Account will constitute firm banking arrangements under Texas law for the discharge and final payment of the Refunded Bonds.

THE BONDS

Description

The Bonds will be dated and accrue interest from September 15, 2020, with interest payable each March 1 and September 1, beginning March 1, 2021 (the "Interest Payment Date"), and will mature on the dates and in the principal amounts and accrue interest at the rates shown on the cover page hereof. The Bonds are issued in fully registered form, in denominations of $5,000 or any integral multiple of $5,000. Interest calculations are based on a 360-day year comprised of twelve 30-day months.

Method of Payment of Principal and Interest

In the Bond Resolution, the Board has appointed The Bank of New York Mellon Trust Company, N.A., in Dallas, Texas as the initial Paying Agent/Registrar for the Bonds. The principal of the Bonds shall be payable, without exchange or collection charges, in any coin or currency of the United States of America, which, on the date of payment, is legal tender for the payment of debts due the United States of America. In the event the book-entry system is discontinued, principal of the Bonds shall be payable upon presentation and surrender of the Bonds as they respectively become due and payable, at the principal payment office of the Paying Agent/Registrar in Dallas, Texas and interest on each Bond shall be payable by check payable on each Interest Payment Date, mailed by the Paying Agent/Registrar on or before each Interest Payment Date to the Registered Owner of record as of the close of business on the February 15 or August 15 immediately preceding each Interest Payment Date (defined herein as the "Record Date"), to the address of such Registered Owner as shown on the Paying Agent/Registrar's records (the "Register") or by such other customary banking arrangements as may be agreed upon by the Paying Agent/Registrar and the Registered Owners at the risk and expense of the Registered Owners.

If the date for payment of the principal of or interest on any Bond is not a business day, then the date for such payment shall be the next succeeding business day, as defined in the Bond Resolution.

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 appraised, levied and collected, in each year, a continuing direct annual ad valorem tax, without limit as to rate, 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 costs of collection. In the Bond Resolution, the District covenants that said taxes are irrevocably pledged to the payment of the interest on and principal of the Bonds and to no other purpose.

The Bonds are obligations solely of the District and are not obligations of the State of Texas, Fort Bend County, the City of Houston, or any entity other than the District.

Funds

In the Bond Resolution, the Debt Service Fund is confirmed, and the proceeds from all taxes levied, assessed and collected for and on account of the Bonds authorized by the Bond Resolution shall be deposited, as collected, in such fund.

Accrued interest on the Bonds shall be deposited into the Debt Service Fund upon receipt. Any monies remaining after the refunding of the Refunded Bonds and payment of issuance costs will be deposited into the Debt Service Fund.

No Arbitrage

The District will certify as of the date the Bonds are delivered and paid for that, based upon all facts and estimates now known or reasonably expected to be in existence 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 in the Bond Resolution 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.

Redemption Provisions

Mandatory Redemption: The Bonds maturing on March 1 in each of the years 2032 and 2036 (the “Term Bonds”) shall be redeemed, at a price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption (the “Mandatory Redemption Date”), on March 1 in each of the years and in the principal amounts set forth in the following schedule (with each such scheduled principal amount reduced by the principal amount as may have been previously redeemed through the exercise of the District’s reserved right of optional redemption, as provided under “Optional Redemption” below):

$115,000 Term Bonds
Due March 1, 2032

Mandatory Redemption Date	Principal Amount
2031	$ 60,000
2032 (maturity)	55,000

$200,000 Term Bonds
Due March 1, 2036

Mandatory Redemption Date	Principal Amount
2033	$ 55,000
2034	55,000
2035	45,000
2036 (maturity)	45,000

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

Optional Redemption: The District reserves the right, at its option, to redeem the Bonds maturing on and after March 1, 2027, prior to their scheduled maturities, in whole or from time to time in part, in integral multiples of $5,000, on March 1, 2026, or on any date thereafter, at a price of par plus accrued interest on the principal amounts called for redemption to the date fixed for redemption. If fewer than all of the Bonds are redeemed at any time, the particular maturities of Bonds to be redeemed shall be selected by the District. If less than all the Bonds of any maturity are redeemed at any time, the particular Bonds within a maturity to be redeemed shall be selected by the Paying Agent/Registrar by lot or other customary method of selection (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form).

Notice of any redemption identifying the Bonds to be redeemed in whole or in part shall be given by the Paying Agent/Registrar at least thirty (30) days prior to the date fixed for redemption by sending written notice by first class mail to the Registered Owner of each Bond to be redeemed in whole or in part at the address shown on the Register. Such notices shall state the redemption date, the redemption price, the place at which the Bonds are to be surrendered for payment and, if less than all the Bonds outstanding are to be redeemed, the numbers of the Bonds or the portions thereof to be redeemed. Any notice given shall be conclusively presumed to have been duly given, whether or not the Registered Owner receives such notice. By the date fixed for redemption, due provision shall be made with the Paying Agent/Registrar for payment of the redemption price of the Bonds or portions thereof to be redeemed, plus accrued interest to the date fixed for redemption.

When Bonds have been called for redemption in whole or in part and due provision has been made to redeem the same as herein provided, the Bonds or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Registered Owners to collect interest which would otherwise accrue after the redemption date on any Bond or portion thereof called for redemption shall terminate on the date fixed for redemption.

Authority for Issuance

At a bond election held within the District, voters of the District have authorized the issuance of $31,000,000 principal amount of unlimited tax bonds for refunding outstanding bonds of the District. See "Issuance of Additional Debt" herein.

The Bonds are issued by the District pursuant to the terms and conditions of the Bond Resolution, Article XVI, Section 59 of the Texas Constitution, the general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas including Chapters 49 and 54 of the Texas Water Code, as amended, and Chapter 1207 of the Texas Government Code, as amended, City of Houston Ordinance No. 97-416, and an election held within the District.

Before the Bonds can be issued, the Attorney General of Texas must pass upon the legality of certain related matters. The Attorney General of Texas does not guarantee or pass upon the safety of the Bonds as an investment or upon the adequacy of the information contained in this OFFICIAL STATEMENT.

Registration and Transfer

So long as any Bonds remain outstanding, the Paying Agent/Registrar shall keep the Register at its principal payment office and, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with the terms of the Bond Resolution.

In the event the Book-Entry-Only System should be discontinued, each Bond shall be transferable only upon the presentation and surrender of such Bond at the principal payment office of the Paying Agent/Registrar, duly endorsed for transfer, or accompanied by an assignment duly executed by the Registered Owner or his authorized representative in form satisfactory to the Paying Agent/Registrar. Upon due presentation of any Bond in proper form for transfer, the Paying Agent/Registrar has been directed by the District to authenticate and deliver in exchange therefor, within three (3) business days after such presentation, a new Bond or Bonds, registered in the name of the transferee or transferees, in authorized denominations and of the same maturity and aggregate principal amount and paying interest at the same rate as the Bond or Bonds so presented.

All Bonds shall be exchangeable upon presentation and surrender thereof at the principal payment office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate and in any authorized denomination in an aggregate amount equal to the unpaid principal amount of the Bond or Bonds presented for exchange. The Paying Agent/Registrar is authorized to authenticate and deliver exchange Bonds. Each Bond delivered shall be entitled to the benefits and security of the Bond Resolution to the same extent as the Bond or Bonds in lieu of which such Bond is delivered.

Neither the District nor the Paying Agent/Registrar shall be required to transfer or to exchange any Bond during the period beginning on a Record Date and ending the next succeeding Interest Payment Date or to transfer or exchange any Bond called for redemption during the thirty (30) day period prior to the date fixed for redemption of such Bond.

The District or the Paying Agent/Registrar may require the Registered Owner of any Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of such Bond. Any fee or charge of the Paying Agent/Registrar for such transfer or exchange shall be paid by the District.

Lost, Stolen or Destroyed Bonds

In the event the Book-Entry-Only System should be discontinued, upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. If any Bond is lost, apparently destroyed, or wrongfully taken, the District, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall, upon receipt of certain documentation from the Registered Owner and an indemnity bond, execute and the Paying Agent/Registrar shall authenticate and deliver a replacement Bond of like maturity, interest rate and principal amount bearing a number not contemporaneously outstanding.

Registered Owners of lost, stolen or destroyed bonds will be required to pay the District's costs to replace such bond. In addition, the District or the Paying Agent/Registrar may require the Registered Owner to pay a sum sufficient to cover any tax or other governmental charge that may be imposed.

Replacement of Paying Agent/Registrar

Provision is made in the Bond Resolution for replacement of the Paying Agent/Registrar. 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/Registrar for the Bonds.

Issuance of Additional Debt

The District's voters have authorized the issuance of $109,915,000 principal amount of unlimited tax bonds for the purpose of purchasing and constructing Water, Sewer, and Drainage Facilities, $2,000,000 principal amount of unlimited tax bonds for the purpose of purchasing and constructing parks and recreational facilities, and $31,000,000 principal amount of unlimited tax bonds for refunding outstanding bonds of the District, and could authorize additional amounts. The District currently has $59,095,000 principal amount of unlimited tax bonds for Water, Sewer and Drainage Facilities, no additional authorization of unlimited tax bonds for parks and recreational facilities, and, after the issuance of the bonds, $30,105,000 principal amount of unlimited tax bonds for refunding purposes are authorized but unissued. The outstanding principal amount of park bonds may not exceed an amount equal to one percent (1%) of the value of the taxable property in the District. The District has submitted a bond application to the TCEQ requesting authorization to issue approximately $11,960,000 principal amount of unlimited tax bonds. The District anticipates approval and issuance of such bonds in the fourth quarter of 2020.

The District is authorized by statute to engage in fire-fighting activities, including the issuing of bonds payable from taxes for such purpose. The District has prepared a detailed fire plan which has been approved by the TCEQ and the voters, in 2007. The fire plan does not call for the issuance of bonds but for a mandatory fee and a one-time capital contribution to the City of Richmond, Texas. Fire protection is currently provided to property in the District by the City of Richmond, Texas Fire Station No. 3 located one-half mile south of the District. The Agreement with the City of Richmond requires residents of the District to pay a mandatory fire fee and will terminate in 2022 or when the District is annexed and dissolved by the City of Houston, whichever comes first. The District has paid the one-time capital contribution.

Pursuant to Chapter 54 of the Water Code, a municipal utility district may petition the TCEQ for the power to issue bonds supported by property taxes to finance roads. The District has been granted "road powers" by the TCEQ and plans to submit a proposition for road bonds to the voters in the future. Before the District could issue such bonds, the District would be required to receive authorization from the District's voters to issue such bonds, and approval of the bonds by the Attorney General of Texas.

Annexation by the City of Houston

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City of Houston, the District must conform to a City of Houston consent ordinance. Generally, the District may be annexed by the City of Houston without the District's consent, and the City cannot annex territory within the District unless it annexes the entire District. However, the City may not annex the District unless (i) such annexation has been approved by a majority of those voting in an election held for that purpose within the area to be annexed, and (ii) if the registered voters in the area to be annexed do not own more than 50 percent of the land in the area, a petition has been signed by more than 50 percent of the landowners consenting to the annexation. Notwithstanding the preceding sentence, the described election and petition process does not apply during the term of a strategic partnership agreement between the City and the District specifying the procedures for full purpose annexation of all or a portion of the District.

If the District is annexed, the City of Houston will assume the District's assets and obligations (including the Bonds) and dissolve the District. Annexation of territory by the City of Houston is a policy-making matter within the discretion of the Mayor and City Council of the City of Houston, and therefore, the District makes no representation that the City of Houston will ever annex the District and assume its debt. Moreover, no representation is made concerning the ability of the City of Houston to make debt service payments should annexation occur.

Strategic Partnership Agreement

The District entered into a Strategic Partnership Agreement (the "SPA") with the City of Houston (the "City") pursuant to Chapter 43 of the Texas Local Government Code on December 19, 2011. The SPA provides for a "limited purpose annexation" of that portion of the District developed for retail and commercial purposes in order to apply certain City health, safety, planning and zoning ordinances and impose a sales tax within the District. Pursuant to the terms of the SPA, certain commercial tracts within the District have been annexed into the City of Houston for limited purposes and the City of Houston has imposed a one percent (1%) sales and use tax (but no property tax) within the areas of limited-purpose annexation and agreed to remit one-half of such sales and use tax to the District to be used for any lawful District purpose. Residential development within the District is not subject to the limited purpose annexation. The SPA provides the terms and conditions under which services would be provided and funded by the parties and under which the District would continue to exist if the land within the District were to be annexed for full or limited purposes by the City. The SPA also provides that the City will not annex the District for "full purposes" (a traditional municipal annexation) for at least thirty (30) years from the effective date of the SPA, which is 2041. As of June 30, 2020, the District has received $127,684 of SPA proceeds. See "THE SYSTEM—Water and Wastewater Operations."

Consolidation

The District has the legal authority to consolidate with other districts and, in connection therewith, to provide for the consolidation of its assets (such as cash) and liabilities (such as the Bonds) with the assets and liabilities of districts with which it is consolidating. Although no consolidation is presently contemplated by the District, no representation is made concerning the likelihood of consolidation in the future.

Remedies in Event of Default

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 or confirmed 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, so that in the absence of other waivers of such immunity by the Texas Legislature, a default by the District in its covenants in the Bond Resolution may not be reduced to a 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. See "INVESTMENT CONSIDERATIONS—Registered Owners' Remedies and Bankruptcy Limitations."

Legal Investment and Eligibility to Secure Public Funds in Texas

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

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

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

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

No representation is made that the Bonds will be suitable for or acceptable to financial or public entities for investment or collateral purposes. No representation is made concerning other laws, rules, regulations, or investment criteria which might 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

The Bond Resolution provides that the District may discharge its obligations to the Registered Owners of any or all of the Bonds to pay principal, interest and redemption price thereon in any manner permitted by law. Under current Texas law, such discharge may be accomplished either (i) by depositing with the Comptroller of Public Accounts of the State of Texas a sum of money equal to the principal of, premium, if any, and all interest to accrue on the Bonds to maturity or redemption or (ii) by depositing with any place of payment (paying agent) of the Bonds or other obligations of the District payable from revenues or from ad valorem taxes or both, 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 the 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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Direct Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation of ownership interest in the Bonds, or (c) prepayment or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will do so on a timely basis or that DTC, DTC Direct Participants or DTC Indirect Participants will act in the manner described in this OFFICIAL STATEMENT. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedure" of DTC to be followed in dealing with DTC Direct Participants are on file with DTC.

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

DTC, the world's largest 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 3.6 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 rating of "AA+" by S&P Global Ratings. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect 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.

Principal, premium, if any, interest payments and redemption proceeds on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, interest payments and redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, 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 the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

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

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

THE DISTRICT

General

The District is a municipal utility district created by an order of the TCEQ dated November 4, 2003, after a hearing on a petition for creation submitted by the Ventana Partnerships. The rights, powers, privileges, authority and functions of the District are established by the general laws of the State of Texas pertaining to utility districts, particularly Article XVI, Section 59 of the Texas Constitution, and Chapters 49 and 54 of the Texas Water Code, as amended.

The District is empowered, among other things, to purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the supply and distribution of water; to collect, transport, and treat wastewater; to control and divert storm water and to provide parks and recreational facilities within its boundaries. The District may issue bonds and other forms of indebtedness to purchase or construct such facilities. The District is also empowered to establish, operate, maintain and finance fire-fighting facilities, independently or with one or more conservation and reclamation districts. See "THE BONDS—Issuance of Additional Debt."

The TCEQ exercises continuing supervisory jurisdiction over the District. In order to obtain the consent for creation from the City of Houston, within whose extraterritorial jurisdiction the District lies, the District is required to observe certain requirements of the City which: limit the purposes for which the District may sell bonds for the acquisition, construction, and improvement of waterworks, wastewater, drainage, road and recreational facilities; limit the net effective interest rate on such bonds and other terms of such bonds; require approval by the City of District construction plans; and permit connections only to lots and commercial or multi-family reserves described in plats which have been approved by the Planning Commission of the City and recorded in the real property records. Construction and operation of the District's system is subject to the regulatory jurisdiction of additional governmental agencies. See "THE SYSTEM—Regulation."

Description and Location

The District contains approximately 815 acres of land, including approximately 166 acres recently annexed. The District has entered into an annexation agreement with Ventana Development McCrary, Ltd. to potentially annex 310 acres in phases into the District. The annexation is conditioned upon (1) receipt of a petition for annexation from the landowners and (2) City of Houston consent. On November 20, 2019 City of Houston has given consent to annex approximately 166 acres of such 310 acres.

The District is located approximately 23 miles southwest of the central downtown business district of the City of Houston and lies wholly within the extraterritorial jurisdiction of the City of Houston and within the boundaries of the Fort Bend Independent School District. The District is generally located north of Morton Road (which has been partially renamed West Bellfort), west of Harlem Road and northwest of Texas State Highway 99 (the "Grand Parkway") with portions having McCrary Road to the west and Clayhead Road to the south. See THE BONDS—Issuance of Additional Debt" and "INVESTMENT CONSIDERATIONS—Future Debt."

Land Use

The District currently includes approximately 482 developed acres of single-family residential development (1,928 lots), approximately 11 acres of multi-family development, approximately 110 commercial acres, approximately 15 acres developed for recreation purposes, approximately 95 undevelopable acres (drainage and pipeline easements, street rights-of-way and utility sites) and approximately 44 developable acres that have not been provided with water distribution, wastewater collection and storm drainage facilities. The table below represents a detailed breakdown of the current acreage and development in the District.

Single-Family Residential:	Approximate Acres	Lots/Units
Waterview Estates:		
Section One	60	236
Section Two	22	126
Section Three	17	70
Section Four	7	28
Section Five	18	80
Section Six	21	61
Section Seven	10	60
Section Eight	33	150
Section Nine	10	52
Section Ten	27	98
Section Eleven	10	47
Section Twelve	10	55
Section Thirteen	9	52
Section Fourteen	15	56
McCrary Meadows:		
Section One	43	168
Section Two	41	138
Section Two Partial Re-Plat and Extension No. 1	49	166
Section Three	15	67
Section Four	44	123
Section Five	21	95
Section Six (a)	26	132
Section Seven (a)	32	97
Subtotal	540	2,157
Multifamily	11	256
Commercial	110	---
Recreation and Open Space	15	---
Future Development	44	---
Non-Developable (b)	95	---
Totals	815	2,413

(a) Utility construction is currently underway for 229 single-family residential lots on approximately 58 acres within the District with completion expected by the first quarter of 2021.
(b) Includes public rights-of-way, detention, easements and utility sites.

Status of Development

Single Family Residential: The District has been developed as Waterview Estates and McCrary Meadows. As of July 11, 2020, the development in the District collectively includes 1,928 single-family residential lots constructed on approximately 482 acres. As of July 11, 2020, 1,672 homes were completed (1,668 occupied), 89 homes were under construction or continue to be owned by a builder and 167 vacant developed lots were available for home construction (primarily in McCrary Meadows). Additionally, utility construction is currently underway for 229 single-family residential lots on approximately 58 acres within the District with completion expected by the first quarter of 2021. According to the District's 2020 tax rolls, the average house value in the District ranges from approximately $179,000 to approximately $339,000 in Waterview Estates and from approximately $215,000 to approximately $325,000 in McCrary Meadows. The current estimated population in the District is 6,335 based upon 3.5 persons per occupied single-family residence and 2.0 persons per occupied multi-family unit, (assumed occupancy of 97%). See "Retail/Multi-Family" below.

Builders

Lennar Homes of Texas and Devon Street Homes have contracted for all of the lots in McCrary Meadows, Sections One, Two, Two Partial Re-Plat Extension No. One, Three, Four, and Five.

Retail/Multi-Family: Approximately 121 acres within the District are served by underground trunkline water distribution, wastewater collection, and storm drainage facilities for retail/multi-family use. Echelon on 99, a 256-unit apartment community has been constructed on approximately 11 of such 121 acres within the District and according to property management, the apartment community is approximately 97% occupied. In addition, Academy Sports and Outdoors and At Home retail store have been constructed on approximately 12 acres and 26,000 square-feet of retail/commercial development have been constructed on approximately 6 acres. Additionally, Spec's liquor store, Chipotle Mexican Grill, Quick-Quack Car Wash, Jersey Mike Subs, Fuji Sushi Grill, Valvoline Instant Oil Change, Texas Roadhouse, LA Fitness Chick-fil-a and Whataburger have been constructed on approximately 15 acres.

THE PARK SYSTEM

Park and recreational improvements include approximately 15 acres within the District that have been developed as a resort-style pools, splash pads, tennis courts and open spaces to serve the development within the District.

THE DEVELOPERS

Role of a Developer

In general, the activities of a landowner or developer in a municipal utility district such as the District include designing the project, defining a marketing program and setting building schedules; securing necessary governmental approvals and permits for development; arranging for the construction of streets and the installation of utilities; and selling or leasing improved tracts or commercial reserves to other developers or third parties. While a developer is required by the TCEQ to pave streets in areas where utilities are to be financed by a district through a specified bond issue, a developer is under no obligation to a district to undertake development activities according to any particular plan or schedule. Furthermore, there is no restriction on a developer's right to sell any or all of the land which the developer owns within a district. In addition, the developer is ordinarily the major taxpayer within the district during the early stages of development. The relative success or failure of a developer to perform in the above-described capacities may affect the ability of a district to collect sufficient taxes to pay debt service and retire bonds.

Prospective Bond purchasers should note that the prior real estate experience of the Developers should not be construed as an indication that further development within the District will occur, or that construction of taxable improvements upon property within the District will occur, or that marketing or leasing of taxable improvements constructed upon property within the District will be successful. See "INVESTMENT CONSIDERATIONS."

Ventana Development Mortin, Ltd. And Ventana Development McCrary, Ltd.

A majority of the development within the District has been conducted by Ventana Development Mortin, Ltd., a Texas limited partnership, and Ventana Development McCrary, Ltd., a Texas limited partnership (collectively, the "Ventana Partnerships"). The general partners of the Ventana Partnerships are Mortin Road, LLC and McCrary Road, LLC and the co-managers of the Ventana Partnerships are James Bruce Grover, James Bruce Grover, Jr., and Paul Savage Grover. The Ventana Partnerships have completed the development of Waterview Estates and McCrary Meadows, Sections One, Two, Two Partial Re-Plat Extension No. One, Three, Four, and Five. Additionally, utility construction is currently underway for 229 single-family residential lots on approximately 58 acres within the District with completion expected by the first quarter of 2021. The Ventana Partnerships continue to own approximately 44 acres for future development in the District.

99 Grand Mission, LLC

Approximately 121 acres of multifamily/retail use property within the District served by underground trunkline water distribution, wastewater collection, and storm drainage facilities were developed by 99 Grand Mission, LLC ("Grand Mission").

Information Concerning the Developers

The Developers are not responsible for, liable for, and have not made any commitment for payment of the Bonds or other obligations of the District. The Developers have no legal commitment to the District or owners of the Bonds to continue development of land within the District and may sell or otherwise dispose of its property within the District, or any other assets, at any time.

Prospective Bond purchasers should note that the prior real estate experience of the Developers should not be construed as an indication that further development within the District will occur, or that construction of taxable improvements upon property within the District will occur, or that marketing or leasing of taxable improvements constructed upon property within the District will be successful.

MANAGEMENT OF THE DISTRICT

Board of Directors

The District is governed by the Board, consisting of five (5) directors, which has control over and management supervision of all affairs of the District. Directors are elected to four-year terms and elections are held in May in even numbered years only. Four of the five Board members reside within the District. Directors have staggered four-year terms. The current members and officers of the Board along with their titles and terms, are listed as follows:

Name	District Board Title	Term Expires
Jacey Jetton	President	May 2024
Terry Hawkins	Vice President	May 2024
Chris Elam	Secretary	May 2022
Chintan Patel	Assistant Vice President/Assistant Secretary	May 2024
Tyrone Howard	Assistant Vice President/Assistant Secretary	May 2022

District Consultants

The District does not have a general manager or other full-time employees, but contracts for certain necessary services as described below.

Bond Counsel/Attorney: The District has engaged Allen Boone Humphries Robinson LLP as general counsel to the District and as Bond Counsel in connection with the issuance of the District's bonds. The legal fees to be paid to Bond Counsel for services rendered in connection with the issuance of the Bonds is 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.

Financial Advisor: Masterson Advisors LLC serves as the District's Financial Advisor. The fee for services rendered in connection with the issuance of the Bonds is based on a percentage of the Bonds actually issued, sold and delivered and, therefore, such fee is contingent upon the sale and delivery of the Bonds.

Auditor: As required by the Texas Water Code, the District retains an independent auditor to audit the District's financial statements annually, which annual audit is filed with the TCEQ. The District's audited financial statements for the fiscal year ending June 30, 2019 have been prepared by McCall Gibson Swedlund Barfoot, PLLC. The District has engaged McCall Gibson Swedlund Barfoot, PLLC to audit the District's financial statements for the fiscal year ending June 30, 2020. See "APPENDIX A" for a copy of the District's June 30, 2019 audited financial statements.

Engineer: The District's consulting engineer is Jones & Carter, Inc.

Tax Appraisal: The Fort Bend Central Appraisal District has the responsibility of appraising all property within the District. See "TAXING PROCEDURES."

Tax Assessor/Collector: The District has appointed an independent tax assessor/collector to perform the tax collection function. Tax Tech, Inc. (the "Tax Assessor/Collector") has been employed by the District to serve in this capacity.

Bookkeeper: The District has contracted with Municipal Accounts & Consulting, L.P. (the "Bookkeeper") for bookkeeping services.

Utility System Operator: The operator of the District's internal water and wastewater system is Environmental Development Partners, LLC.

THE SYSTEM

Regulation

Construction and operation of the District's water, wastewater and storm drainage system as it now exists or as it may be expanded from time to time is subject to regulatory jurisdiction of federal, state and local authorities. The TCEQ exercises continuing, supervisory authority over the District. Discharge of treated sewage into Texas waters, if any, is also subject to the regulatory authority of the TCEQ and the United States Environmental Protection Agency. Construction of drainage facilities is subject to the regulatory authority of the Fort Bend County Drainage District. Fort Bend County, Fort Bend County Levee Improvement District No. 12 ("LID 12"), the City of Houston, and the Texas Department of Health also exercise regulatory jurisdiction over all or a portion of the District's system.

Water Supply

The District is a participant in the regional water supply system serving four districts and operated by Grand Mission Municipal Utility District No. 1 ("Grand Mission MUD 1") pursuant to an agreement. The regional water supply system is owned by Grand Mission MUD 1, the District, Grand Mission Municipal Utility District No. 2 ("Grand Mission MUD 2") and Fort Bend County Municipal Utility District No. 165 ("MUD 165"). The system is referred to as the Grand Mission Regional Water Supply System. The Grand Mission Regional Water Supply System (Water Plant Nos. 1, 2 and 3) currently consists of two (2) 1,500 gallons per minute ("gpm") water wells, 3,385,000 gallons of ground storage tank capacity, 15,500 gpm of booster pump capacity, 160,000 gallons of pressure tank capacity and related appurtenances. The District owns adequate capacity in the Grand Mission Regional Water Supply System to serve 2,054 equivalent single-family connections. In addition, Grand Mission Municipal Utility District No. 1 has emergency water interconnects with Fort Bend Municipal Utility District Nos. 122 and 123 and the District has an emergency water interconnect with Fort Bend Municipal Utility District No. 118. Grand Mission MUD 1 has an agreement in place with the North Fort Bend Water Authority (the "Authority") for surface water supply to the system. Per the agreement, the Authority is to supply the system with at least 900,000 gallons per day of surface water. Currently, a majority of the water used by the system is surface water and the ground water wells are used to mitigate the peak usage demands. As of July 11, 2020, the District was serving 1,172 active connections (excluding the connections in McCrary Meadows which are served as described below) through the Grand Mission Regional Water Supply System.

Approximately 271 acres in the District being developed as McCrary Meadows is served by Water Plant No. 1 that is not part of the Grand Mission Regional Water Supply System. Water Plant No. 1 currently consists of a 450 gpm water well, a 97,000 gallon ground storage tank, 200,000 gallon ground storage tank, two 15,000 gallon pressure tanks, and 1,850 gpm of booster pump capacity which provides capacity to serve 1,428 equivalent single-family residential connections. Additionally, a 600 gpm water well is under construction and expected to be complete by the end of 2020. The District also contains an emergency waterline interconnect with Fort Bend Co. WC&ID No. 8. As of July 11, 2020, the District was serving 588 active connections (including 89 builder connections) in McCrary Meadows.

Subsidence and Conversion to Surface Water Supply

The District is within the boundaries of the Fort Bend Subsidence District (the "Subsidence District"), which regulates groundwater withdrawal. Grand Mission Regional Water Supply System's and the District's authority to pump groundwater is subject to an annual permit issued by the Subsidence District. The Subsidence District has adopted regulations requiring reduction of groundwater withdrawals through conversion to alternate source water (e.g., surface water) in certain areas within the Subsidence District's jurisdiction, including the area within the District. In 2005, the Texas legislature created the Authority to, among other things, reduce groundwater usage in, and to provide surface water to, the northern portion of Fort Bend County (including the District) and a small portion of Harris County. The Authority has entered into a Water Supply Contract with the City of Houston, Texas ("Houston") to obtain treated surface water from Houston. The Authority has developed a groundwater reduction plan ("GRP") and obtained Subsidence District approval of its GRP. The Authority's GRP sets forth the Authority's plan to comply with Subsidence District regulations, construct surface water facilities, and convert users from groundwater to alternate source water (e.g., surface water). The District is included within the Authority's GRP and is now receiving surface water from the North Fort Bend Water Authority through the Grand Mission Regional Water Supply System.

The Authority, among other powers, has the power to: (i) issue debt supported by the revenues pledged for the payment of its obligations; (ii) establish fees, user fees, rates, charges and special assessments as necessary to accomplish its purposes; and (iii) mandate water users, including the Grand Mission Regional Water Supply System and the District, to convert from groundwater to surface water. The Authority currently charges its participants a rate per 1,000 gallons of surface water purchased and a fee per 1,000 gallons of groundwater pumped. The Authority has issued revenue bonds to fund, among other things, Authority surface water project costs. It is expected that the Authority will continue to issue a substantial amount of bonds by the year 2025 to finance the Authority's project costs, and it is expected that the fees charged by the Authority will increase substantially over such period.

Under the Subsidence District regulations and the GRP, the Authority is required to: (i) limit groundwater withdrawals to no more than 70% of the total annual water demand of the water users within the Authority's GRP, beginning in the year 2014; and (ii) limit groundwater withdrawals to no more than 40% of the total annual water demand of the water users within the Authority's GRP, beginning in the year 2025. If the Authority fails to comply with the above Subsidence District regulations, the Authority is subject to a disincentive fee penalty of $6.50 per 1,000 gallons ("Disincentive Fees") imposed by the Subsidence District for any groundwater withdrawn in excess of 40% of the total annual water demand in the Authority's GRP. In the event of such Authority failure to comply, the Subsidence District may also seek to collect Disincentive Fees from participants, including the District. If the District failed to comply with surface water conversion requirements mandated by the Authority, the Authority would likely seek monetary or other penalties against the participants in the System.

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

Wastewater Treatment

Wastewater treatment capacity for most of the District is provided by a 1,600,000 gallon per day ("gpd") wastewater treatment plant jointly owned by the District, Grand Mission MUD 1, Grand Mission MUD 2 and MUD 165 and operated by Grand Mission MUD 1 as part of the Grand Mission regional system. The District owns an aggregate of 454,390 gpd of wastewater treatment capacity in the plant, however, the District leases 57,200 gpd of capacity to Grand Mission MUD 2. Excluding the leased capacity, the District has adequate capacity to serve 1,527 equivalent single-family connections. An expansion to increase the capacity of the plant to 2,110,000 gpd is currently under construction and is expected to be complete by September 2020. As of July 11, 2020, the District was serving 1,185 active connections in Waterview Estates and in the Commercial area.

Approximately 271 acres in the District being developed as McCrary Meadows has a separate wastewater treatment system and is not part of the Grand Mission system. Wastewater treatment for McCrary Meadows is provided by a 200,000 gpd wastewater treatment plant which has the capacity to serve 769 equivalent single-family connections. As of July 11, 2020, the District was serving 588 active connections (including 89 builder connections) in McCrary Meadows.

Water Distribution, Wastewater Collection and Storm Drainage Facilities

Water distribution, wastewater collection and storm drainage facilities have been constructed to serve 1,928 single-family residential lots, a multi-family apartment community (256 units), and approximately 110 acres of commercial tracts. Additionally, utility construction is currently underway for 229 single-family residential lots on approximately 58 acres within the District with completion expected by the first quarter of 2021.

Most of the District is within the Long Point Slough watershed and naturally drains toward Long Point Slough. The storm water drainage within the District is collected in a road drainage system consisting of concrete curb and gutter which conveys storm runoff to the District's underground storm sewer system, which ultimately outfalls into a regional detention basin located south of Beechnut Street and east of the District. The regional detention basin provides detention capacity for the District, Grand Mission MUD 1, Grand Mission MUD 2 and MUD 165. Discharge from this regional detention basin ultimately outfalls into Long Point Slough.

100-Year Flood Plain

"Flood Insurance Rate Map" or "FIRM" means an official map of a community on which the Federal Emergency Management Agency (FEMA) has delineated the appropriate areas of flood hazards. The 1% chance of probable inundation, also known as the 100-year flood plain, is depicted on these maps. The "100-year flood plain" (or 1% chance of probable inundation) as shown on the FIRM is the estimated geographical area that would be flooded by a rain storm of such intensity to statistically have a one percent chance of occurring in any given year. Generally speaking, homes must be built above the 100-year flood plain in order to meet local regulatory requirements and to be eligible for federal flood insurance. An engineering or regulatory determination that an area is above the 100-year flood plain is no assurance that homes built in such area will not be flooded. The District's drainage system has been designed and constructed to all current standards. Approximately 11 acres of developable land within the District are currently within the designated 100-year flood plain according to the Federal Emergency Management ("FEMA") Flood Insurance Rate Map Panel Number: 48157C0120L, dated April 2, 2014.

The National Weather Service recently completed a rainfall study known as NOAA Atlas 14, Volume 11 Precipitation-Frequency Atlas of the United States ("Atlas 14"). Floodplain boundaries within the District may be redrawn based on the Atlas 14 study based on a higher statistical rainfall amount, resulting in the application of more stringent floodplain regulations applying to a larger area and potentially leaving less developable property within the District. The application of such regulations could additionally result in higher insurance rates, increased development fees, and stricter building codes for any property located within the expanded boundaries of the floodplain.

Fort Bend County Levee Improvement District No. 12

Approximately 226 of the 815 acres located within the District are also located within the boundaries of Fort Bend County Levee Improvement District No. 12 (the "Levee District"), which provides major outfall drainage and flood protection for approximately 4,045 acres of land, and thus the land located within the District that is also located within the Levee District is subject to taxation by the Levee District. The Levee District has issued bonds to finance certain drainage improvements which benefit the portion of the District that is also located within the Levee District and may issue additional bonds in the future. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Overlapping Taxes."

Water and Wastewater Operations

The Bonds and the Remaining Outstanding Bonds are payable solely from the levy of an ad valorem tax, without legal limitation as to rate or amount, upon all taxable property in the District. Nevertheless, net revenues from operations of the District's water and wastewater system, if any, are available for any legal purpose, including the payment of debt service on the Bonds and the Remaining Outstanding Bonds, upon Board action. However, it is not anticipated that net revenues will be used or would be sufficient to pay debt service on the Bonds or the Remaining Outstanding Bonds.

The following statement sets forth in condensed form the General Operating Fund as shown in the District's audited financial statements for the period ended December 31, 2015, for the 18-month period of January 1, 2016 to June 30, 2017, and for the 12-month period ended June 30, 2018 and June 30, 2019 and an unaudited summary for the period ended June 30, 2020, as provided by the Bookkeeper. Effective January 29, 2016, the District changed its fiscal year end to June 30. Accounting principles customarily employed in the determination of net revenues have been observed and in all instances exclude depreciation. Reference is made to "APPENDIX A" for further and complete information.

	Fiscal Year Ended				
	6/30/2020 (a)	6/30/2019	6/30/2018	6/30/2017 (b)	12/31/2015
Revenues:					
Property Taxes	$ 1,709,207	$ 1,624,712	$ 1,434,065	$ 2,008,767	$ 665,987
Water and Sewer Service	971,076	1,055,253	949,438	1,187,091	734,594
Penalty and Interest	60,015	38,739	35,757	55,825	34,240
Tap Connection and Sewer	798960				
Inspection	74,717	394,720	410,360	239,226	200,930
Regional Water Authority Fee	719,992	531,500	557,358	496,437	262,680
Fire Protection Service	293,142	259,854	223,271	297,484	156,001
SPA Revenue (c)	159,627	-	-	-	-
Investment Revenues	79,855	-	-	-	-
Other	60,249	166,750	100,706	85,459	47,662
Total Revenue	$ 4,926,840	$ 4,071,528	$ 3,710,955	$ 4,370,289	$ 2,102,094
Expenditures:					
Professional Fees	$ 416,947	$ 359,452	$ 288,318	$ 309,239	$ 249,971
Purchased or Contracted					
Services	443,432	392,387	1,054,028	1,329,081	852,020
Repairs and Maintenance	192,335	239,437	242,947	189,663	85,225
Regional Detention Facility	77,599	27,116	27,569	34,519	29,650
Fire Protection Service	272,808	249,481	215,047	275,684	153,456
Capital Outlay	302,006	-	-	422,125	39,161
Utilities	922,689	724,294	2,970	13,476	-
Capital Lease Principal					
and Interest Payments	-	-	712,930	68,800	-
Other	3,558,311 (f)	931,052 (d)	833,327 (d)	1,267,422 (d)	178,197
Total Expenditures	$ 6,186,127	$ 2,923,219	$ 3,377,136	$ 3,910,009	$ 1,587,680
NET REVENUES	$ (1,259,287)	$ 1,148,309	$ 333,819	$ 460,280	$ 514,414
Other Financing Sources	$ 46,750	$ 27,157	$ 524,441 (e)	$ -	$ 166,879
General Operating Fund					
Balance (Beginning of Year)	$ 4,882,994	$ 3,707,528	$ 2,849,268	$ 2,388,988	$ 1,707,695
General Operating Fund					
Balance (End of Year)	$ 3,670,457	$ 4,882,994	$ 3,707,528	$ 2,849,268	$ 2,388,988

(a) Unaudited, provided by the Bookkeeper.
(b) Effective January 29, 2016, the District changed its fiscal year end to June 30 and such data reflects an eighteen month reporting period.
(c) See "THE BONDS-Strategic Partnership Agreement,"
(d) Includes administrative expenses, tap connection expenses, and other district expenses.
(e) Represents a transfer of surplus funds from the capital projects fund to purchase the interim wastewater treatment plant. '
(f) Represents the purchase of land for drainage and detention facilities.

FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)

2020 Taxable Assessed Valuation	$484,416,542	(a)
Gross Direct Debt Outstanding (the Remaining Outstanding Bonds and the Bonds)	$45,585,000	(b)
Estimated Overlapping Debt	46,317,045	(c)
Gross Direct Debt and Estimated Overlapping Debt	$91,902,045	
Ratios of Gross Direct Debt to: 2020 Taxable Assessed Valuation	9.41%	
Ratios of Gross Direct Debt and Estimated Overlapping Debt to: 2020 Taxable Assessed Valuation	18.97%	
Debt Service Fund Balance as of August 3, 2020	$4,231,616	(d)
Operating Funds Available as of August 3, 2020	$3,156,584	
Capital Projects Funds Available as of August 3, 2020	$1,767,837	

(a) The 2020 Taxable Assessed Valuation shown herein includes $478,988,722 of certified value and $5,427,820 of uncertified value provided by the Fort Bend Central Appraisal District (the "Appraisal District"). The uncertified value represents the Appraisal District's opinion of the value; however, such value is subject to review and downward adjustment prior to certification. No tax will be levied on said uncertified value until it is certified by the Appraisal District. See "TAXING PROCEDURES."
(b) After the issuance of the Bonds and refunding of the Refunded Bonds. See "Outstanding Bonds" herein.
(c) See "Estimated Overlapping Debt" herein.
(d) The District intends to apply $98,000 of debt service funds for the purpose of which the Bonds are being issued. Neither Texas law nor the Bond Resolution requires the District to maintain any particular balance in the Debt Service Fund.

Investments of the District

The District has adopted an Investment Policy as required by the Public Funds Investment Act, Chapter 2256, Texas Government Code. The District's goal is to preserve principal and maintain liquidity while securing a competitive yield on its portfolio. Funds of the District will be invested in short term U.S. Treasuries, certificates of deposit insured by the Federal Deposit Insurance Corporation ("FDIC") or secured by collateral evidenced by perfected safekeeping receipts held by a third party bank, and public funds investment pools rated in the highest rating category by a nationally recognized rating service. The District does not currently own, nor does it anticipate the inclusion of, long term securities or derivative products in the District portfolio.

Outstanding Bonds

The following table lists the original principal amount of Outstanding Bonds, and the current principal balance of the Outstanding Bonds, the Refunded Bonds and the Remaining Outstanding Bonds as of the date hereof.

Series		Original Principal Amount	Principal Amount Outstanding Bonds	Refunded Bonds	Remaining Outstanding Bonds
2011		$ 2,000,000	$ 80,000	$ -	$ 80,000
2013	(a)	2,390,000	1,635,000	1,390,000	245,000
2013A		645,000	465,000	435,000	30,000
2013B	(b)	455,000	335,000	-	335,000
2013C		905,000	670,000	630,000	40,000
2014	(a)	4,305,000	3,465,000	-	3,465,000
2015		2,690,000	2,230,000	-	2,230,000
2016	(a)	3,515,000	3,410,000	-	3,410,000
2017		13,500,000	12,450,000	-	12,450,000
2017A	(a)	3,430,000	3,335,000	-	3,335,000
2018		7,980,000	7,705,000	-	7,705,000
2019	(b)	1,545,000	1,495,000	-	1,495,000
2020		8,315,000	8,315,000	-	8,315,000
Total		$ 51,675,000	$ 45,590,000	$ 2,455,000	$ 43,135,000
The Bonds					$ 2,450,000
The Bonds and Remaining Outstanding Bonds					$ 45,585,000

(a) Unlimited tax refunding bonds.
(b) Unlimited tax park bonds.

Debt Service Requirements

The following sets forth the debt service requirements for the Outstanding Bonds, less the debt service on the Refunded Bonds ($2,455,000 principal amount), plus the debt service on the Bonds.

Year	Outstanding Bonds Debt Service	Less: Debt Service on the Refunded Bonds	Plus: Debt Service on the Bonds Principal	Interest	Total	Total Debt Service
2020	$ 2,556,999.38	(a) $ 45,985.00				$ 2,511,014.38
2021	3,536,188.75	161,970.00	$ -	$ 22,594.44	$ 22,594.44	3,396,813.19
2022	3,493,688.75	289,470.00	225,000	49,000.00	274,000.00	3,478,218.75
2023	3,484,538.75	288,070.00	230,000	44,500.00	274,500.00	3,470,968.75
2024	3,444,982.50	286,520.00	230,000	39,900.00	269,900.00	3,428,362.50
2025	3,397,741.25	284,260.00	235,000	35,300.00	270,300.00	3,383,781.25
2026	3,364,480.00	286,830.00	240,000	30,600.00	270,600.00	3,348,250.00
2027	3,336,300.00	283,650.00	240,000	25,800.00	265,800.00	3,318,450.00
2028	3,314,200.00	274,650.00	240,000	21,000.00	261,000.00	3,300,550.00
2029	3,274,562.50	275,537.50	245,000	16,200.00	261,200.00	3,260,225.00
2030	3,248,550.00	276,025.00	250,000	11,300.00	261,300.00	3,233,825.00
2031	3,033,700.00	81,112.50	60,000	6,300.00	66,300.00	3,018,887.50
2032	2,617,975.00	78,400.00	55,000	5,100.00	60,100.00	2,599,675.00
2033	2,313,856.25	75,625.00	55,000	4,000.00	59,000.00	2,297,231.25
2034	2,262,443.75	72,850.00	55,000	2,900.00	57,900.00	2,247,493.75
2035	2,254,075.00	65,075.00	45,000	1,800.00	46,800.00	2,235,800.00
2036	2,193,987.50	62,537.50	45,000	900.00	45,900.00	2,177,350.00
2037	1,853,075.00	-	-	-	-	1,853,075.00
2038	1,801,962.50	-	-	-	-	1,801,962.50
2039	1,755,162.50	-	-	-	-	1,755,162.50
2040	1,612,187.50	-	-	-	-	1,612,187.50
2041	1,561,937.50	-	-	-	-	1,561,937.50
2042	1,511,125.00	-	-	-	-	1,511,125.00
2043	385,312.50	-	-	-	-	385,312.50
Total	$ 61,609,031.88	$ 3,188,567.50	$ 2,450,000	$ 317,194.44	$ 2,767,194.44	$ 61,187,658.82

(a) Excludes the March 1, 2020, debt service payment in the amount of $621,399.

Maximum Annual Debt Service Requirement (2022)....................$3,478,219
Average Annual Debt Service Requirements (2021-2043)....................$2,551,158

Estimated Overlapping Debt

The following table indicates the outstanding debt payable from ad valorem taxes, of governmental entities within which the District is located and the estimated percentages and amounts of such indebtedness attributable to property within the District. Debt figures equated herein to outstanding obligations payable from ad valorem taxes are based upon data obtained from individual jurisdictions or Texas Municipal Reports compiled and published by the Municipal Advisory Council of Texas. Furthermore, certain entities listed below may have issued additional obligations since the date listed and may have plans to incur significant amounts of additional debt. Political subdivisions overlapping the District are authorized by Texas law to levy and collect ad valorem taxes for the purposes of operation, maintenance and/or general revenue purposes in addition to taxes for the payment of debt service and the tax burden for operation, maintenance and/or general revenue purposes is not included in these figures. The District has no control over the issuance of debt or tax levies of any such entities.

Taxing Jurisdiction	Outstanding Bonds	As of	Percent	Overlapping Amount
Fort Bend County	$ 642,587,527	06/30/20	0.58%	$ 3,727,008
Lamar Consolidated Independent School District	1,138,945,000	06/30/20	2.62%	29,840,359
Fort Bend Independent School District	1,138,398,767	06/30/20	0.96%	10,928,628
Fort Bend County LID No. 12 (a)	10,750,000	06/30/20	16.94%	1,821,050
Total Estimated Overlapping Debt				$ 46,317,045
The District's Total Direct Debt (b)				45,585,000
Total Direct and Estimated Overlapping Debt				$ 91,902,045

Direct and Estimated Overlapping Debt as a Percentage of:
2020 Taxable Assessed Valuation of $484,416,542 .... 18.97%

(a) All of the land within the District except the 271 acre tract being developed as McCrary Meadows Development is located within LID 12, and is subject to taxation by LID 12
(b) The Bonds and the Remaining Outstanding Bonds.

Overlapping Taxes

Property within the District is subject to taxation by several taxing authorities in addition to the District. On January 1 of each year a tax lien attaches to property to secure the payment of all taxes, penalties and interest imposed on such property. The lien exists in favor of each taxing unit, including the District, having the power to tax the property. The District's tax lien is on a parity with tax liens of taxing authorities shown below. In addition to ad valorem taxes required to pay debt service on bonded debt of the District and other taxing authorities (see "Estimated Overlapping Debt" above), certain taxing jurisdictions, including the District, are also authorized by Texas law to assess, levy and collect ad valorem taxes for operation, maintenance, administrative and/or general revenue purposes.

Set forth below are the taxes levied for the 2019 tax year by all entities overlapping the District and the 2020 tax rate for the District. None of the entities have levied a tax rate for the 2020 tax year. No recognition is given to local assessments for civic association dues, fire department contributions or any other levy of entities other than political subdivisions.

	Tax Rate Per $100 of Taxable Assessed Valuation
Fort Bend County (including Drainage District)	$0.460000
Lamar Consolidated Independent School District (a)	1.320000
Fort Bend County LID No. 12 (b)	0.080000
Total Overlapping Tax Rate	$1.860000
The District	1.180000
Total Tax Rate	$3.040000

(a) A portion of the District is located in the Lamar Consolidated Independent School District and the remaining portion of the District is located in the Fort Bend Independent School District. The Fort Bend Independent School District levied a $1.27 tax rate in 2019.
(b) Only a portion of the District is in the boundaries of LID 12. See "THE SYSTEM—Fort Bend County Levee Improvement District No. 12 and "INVESTMENT CONSIDERATIONS—Overlapping Debt and Taxes."

TAX DATA

Debt Service Tax

The Board covenants in the Bond Resolution to levy and assess, for each year that all or any part of the Bonds or the Remaining Outstanding Bonds remain outstanding and unpaid, a tax adequate to provide funds to pay the principal of and interest on the Bonds and the Remaining Outstanding Bonds. See "Historical Tax Rate Distribution" and "Tax Roll Information" below and "TAXING PROCEDURES."

Maintenance Tax

The Board has the statutory authority to levy and collect an annual ad valorem tax for the operation and maintenance of the District, if such a maintenance tax is authorized by the District's voters. A maintenance tax election was conducted May 15, 2004, and voters of the District authorized, among other things, the Board to levy a maintenance tax at a rate not to exceed $1.50 per $100 of taxable assessed valuation. A maintenance tax is in addition to taxes which the District is authorized to levy for paying principal of and interest on the Bonds. See "Debt Service Tax" above "Historical Tax Rate Distribution" below.

Historical Tax Rate Distribution

	2020 (a)	2019	2018	2017	2016
Debt Service Tax	$ 0.80	$ 0.78	$ 0.78	$ 0.78	$ 0.78
Maintenance Tax	0.38	0.43	0.46	0.46	0.46
Total District Tax Rate (b)	$ 1.18	$ 1.21	$ 1.24	$ 1.24	$ 1.24

(a) The District authorized publication of its intent to levy a total tax rate of $1.18 per $100 of taxable assessed valuation, of which $0.80 per $100 of taxable assessed valuation is allocated to debt service and $0.38 per $100 of taxable assessed valuation is allocated to maintenance and operations.

(b) See "INVESTMENT CONSIDERATIONS—Overlapping Debt and Taxes."

Tax Exemptions

For tax year 2020, the District granted a 1% (but not less than $5,000) residential homestead exemption and a $10,000 exemption for persons disabled or 65 years of age or older.

Additional Penalties

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

Tax Roll Information

The District's assessed value as of January 1 of each year is used by the District in establishing its tax rate (see "TAXING PROCEDURES—Valuation of Property for Taxation"). The following represents the composition of property comprising the 2016 through 2020 Taxable Assessed Valuations. A breakdown of the uncertified portion ($5,427,820) is subject to review and downward adjustment and not included herein. Taxes are levied on taxable value certified by the Appraisal Districts as of January 1 of each year. Information in this summary may differ slightly from the assessed valuations shown herein due to difference in dates of data

	Type of Property			Gross	Deferments	Value	Taxable
Tax			Personal	Assessed	and	Subject	Assessed
Year	Land	Improvements	Property	Valuation	Exemptions	To Change	Valuation
2020	$ 103,658,595	$380,187,750	$ 9,784,269	$ 493,630,614	$(14,641,892)	$ 5,427,820	$ 484,416,542
2019	86,415,239	325,916,531	5,023,950	417,355,720	(12,518,075)	-	404,837,645
2018	74,370,179	281,273,558	4,521,630	360,165,367	(6,491,695)	-	353,673,672
2017	58,320,800	256,867,860	1,846,800	317,035,460	(5,199,149)	-	311,836,311
2016	52,011,170	214,297,640	2,475,910	268,784,720	(3,828,609)	-	264,956,111

Historical Tax Collections

The following statement of tax collections sets forth in condensed form a portion of the historical tax experience of the District. Such table has been prepared for inclusion herein, based upon information obtained from the District's Tax Assessor/Collector. Taxes are due October 1 or when billed and become delinquent if not paid before February 1 of the year following the year in which imposed. No split payments are allowed and no discounts are allowed. Reference is made to such statements and records for further and complete information. See "Tax Roll Information" below.

	Certified Taxable Assessed Valuation (a)	Tax Rate	Total (b) Tax Levy	Total Collections As of July 31, 2020 (c) Amount	Percent
2015	$ 216,934,342	$ 1.26	$2,733,373	$ 2,733,373	100.00%
2016	264,956,111	1.24	3,285,456	3,285,456	100.00%
2017	311,836,311	1.24	3,866,770	3,866,770	100.00%
2018	353,673,672	1.24	4,385,429	4,377,407	99.82%
2019	404,837,645	1.21	4,897,854	4,837,547	98.77%
2020	478,988,722	1.18	5,652,067	(d)	(d)

(a) As certified by the Appraisal District.
(b) Represents actual tax levy, including any adjustments by the Appraisal District, as of the date hereof.
(c) Unaudited.
(d) In process of collection. 2020 taxes are due by January 31, 2021.

Principal Taxpayers

The following table represents the principal taxpayers, the taxable assessed value of such property, and such property's taxable assessed value as a percentage of the certified portion ($478,988,722) of the 2020 Taxable Assessed Valuation of $484,416,542. This represents ownership as of January 1, 2020. A principal taxpayer list related to the uncertified portion ($5,427,820) of the 2020 Taxable Assessed Valuation is not available.

Taxpayer	2020 Certified Taxable Assessed Valuation	% of 2020 Certified Taxable Assessed Valuation
Precom 99 LLC	$ 33,192,980	6.93%
Waterview Towne Center LLC	27,387,218	5.72%
Vereit Real Estate LP	11,692,365	2.44%
99 Grand Mission LLC (a)	5,063,430	1.06%
Ventana Development McCrary Ltd (a)	5,027,350	1.05%
Interfin Waterview LLC	3,750,000	0.78%
Academy Ltd.	3,367,040	0.70%
99 Eastern Village LLC	3,222,330	0.67%
Donald Victor & Letty Jane Bassler Trust Agreement	2,148,740	0.45%
TNTF LLC	2,115,080	0.44%
Total	$ 96,966,533	20.24%

(a) See "THE DEVELOPERS."

Tax Adequacy for Debt Service

The tax rate calculations set forth below are presented to indicate the tax rates per $100 of taxable assessed valuation which would be required to meet average annual and maximum annual debt service requirements if no growth in the District's tax base occurred beyond the 2020 Taxable Assessed Valuation of $484,416,542 ($478,988,722 of certified value and $5,427,820 of uncertified value). The calculations contained in the following table merely represent the tax rates required to pay principal of and interest on the Bonds and the Remaining Outstanding Bonds when due, assuming no further increase or any decrease in taxable values in the District, collection of ninety-five percent (95%) of taxes levied, the sale of no additional bonds, and no other funds available for the payment of debt service. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Debt Service Requirements."

Average Annual Debt Service Requirement (2021-2043)	$2,551,158
$0.56 Tax Rate on the 2020 Taxable Assessed Valuation	$2,577,096
Maximum Annual Debt Service Requirement (2022)	$3,478,219
$0.76 Tax Rate on the 2020 Taxable Assessed Valuation	$3,497,487

No representation or suggestion is made that the uncertified portion ($5,427,820) of the 2020 Taxable Assessed Valuation provided by the Appraisal District for the District will be certified as taxable value by the Appraisal District, and no person should rely upon such amount or its inclusion herein as assurance of its attainment. See "TAXING PROCEDURES."

TAXING PROCEDURES

Authority to Levy Taxes

The Board is authorized to levy an annual ad valorem tax, without legal limitation as to rate or amount, 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 Resolution to levy such a tax from year-to-year as described more fully herein under "THE BONDS—Source of Payment." Under Texas law, the Board may also levy and collect an annual ad valorem tax for the operation and maintenance of the District. See "TAX DATA—Debt Service Tax" and "—Maintenance Tax."

Property Tax Code and County-Wide Appraisal District

Title I 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 here.

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 Fort Bend Central Appraisal District (the "Appraisal District") has the responsibility for appraising property for all taxing units within Fort Bend County, including the District. Such appraisal values are subject to review and change by the Fort Bend Central Appraisal Review Board (the "Appraisal Review Board").

Property Subject to Taxation by the District

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; farm products owned by the producer; certain property of charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; and most individually owned automobiles. In addition, the District may by its own action exempt residential homesteads of persons sixty-five (65) years of age or older and of certain disabled persons to the extent deemed advisable by the Board. The District may be required to call such an election upon petition by twenty percent (20%) of the number of qualified voters who voted in the previous 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, of between $3,000 and $12,000 of taxable valuation depending upon the disability rating of the veteran claiming the exemption, and qualifying surviving spouses of persons 65 years of age or older will be entitled to receive a residential homestead exemption equal to the exemption received by the deceased spouse. A veteran who receives a disability rating of 100% is entitled to an exemption for the full amount of the veteran's residential homestead. Additionally, subject to certain conditions, the surviving spouse of a disabled veteran who is entitled to an exemption for the full value of the veteran's residence homestead is also entitled to an exemption from taxation of the total appraised value of the same property to which the disabled veteran's exemption applied. 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. 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 spouse. The surviving spouse of a first responder who was killed or fatally injured in the line of duty is, subject to certain conditions, also 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. See "TAX DATA."

Residential Homestead Exemptions: The Property Tax Code authorizes the governing body of each political subdivision in the State of Texas to exempt up to twenty percent (20%) of the appraised 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 before July 1. For tax year 2020, the District granted a 1% (but not less than $5,000) residential homestead exemption.

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, for tax year 2011 and prior applicable years, such property is acquired in or imported into Texas for assembling, storing, manufacturing, processing, or fabricating purposes and is subsequently forwarded to another location inside or outside of Texas not later than 175 days after acquisition or importation, and the location where said property is detained during that period is not directly or indirectly owned or under the control of the property owner. For tax year 2012 and subsequent years, such Goods-in-Transit Exemption includes tangible personal property acquired in or imported into Texas for storage purposes only if such property is stored under a contract of bailment by a public warehouse operator at one or more public warehouse facilities in Texas that are not in any way owned or controlled by the owner of such property for the account of the person who acquired or imported such property. A property owner who receives the Goods-in-Transit Exemption is not eligible to receive the Freeport Exemption for the same property. Local taxing units such as the District may, by official action and after public hearing, tax goods-in-transit personal property. A taxing unit must exercise its option to tax goods-in-transit property before January 1 of the first tax year in which it proposes to tax the property at the time and in the manner prescribed by applicable law. The District has taken official action to allow taxation of all such goods-in-transit personal property for all prior and subsequent years.

Tax Abatement

Fort Bend County may designate all or part of the area within the District as a reinvestment zone. Thereafter, Fort Bend County, the City of Houston and the District, under certain circumstances, may enter into tax abatement agreements with owners of property within the zone. Prior to entering into a tax abatement agreement, each entity must adopt guidelines and criteria for establishing tax abatement, which each entity will follow in granting tax abatement to owners of property. The tax abatement agreements may exempt from ad valorem taxation by each of the applicable taxing jurisdictions, including the District, for a period of up to ten (10) years, all or any part of any increase in the appraised valuation of property covered by the agreement over its appraised valuation in the year in which the agreement is executed, on the condition that the property owner make specified improvements or repairs to the property in conformity with the terms of the tax abatement agreement. Each taxing jurisdiction has discretion to determine terms for its tax abatement agreements without regard to the terms approved by the other taxing jurisdictions.

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 finally 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 under the Property Tax Code. Increases in the appraised value of residence homesteads are limited by the Texas Constitution to ten percent (10%) 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 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 some political subdivisions while claiming it as to 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 (3) years for agricultural use, 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 real property in the Appraisal District at least once every three (3) years. It is not known what frequency of reappraisal 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 formally to 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.

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 State district court. In such event, the value of the property in question will 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 value, appraisals which 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, which 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.

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 tax payer 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.

Rollback of Operation and Maintenance Tax Rate

Chapter 49 of the Texas Water Code, as amended 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 is described for each classification below. Debt service and contract tax rates cannot be reduced by a rollback election held within any of the districts described 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 of Texas or President of the United States, alternative procedures and rate limitations may apply for a temporary period. If a district qualifies as both a Special Taxing Unit and a Developed District, the district will be subject to the operation and maintenance tax threshold applicable to Special Taxing Units.

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

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

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 for which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all state and local taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of the State of Texas and each local taxing unit, including the District, having power to tax the property. The District's tax lien is on a parity with tax liens of such other taxing units. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Overlapping Taxes." A tax lien on real property takes priority over the claim 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 applicable 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 subject to the restrictions on residential homesteads described in the preceding section under "Levy and Collection of Taxes". 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 all other types of property after the purchaser's deed issued at the foreclosure sale is filed in the county records. See "INVESTMENT CONSIDERATIONS—General" and "—Tax Collection Limitations and Foreclosure Remedies."

INVESTMENT CONSIDERATIONS

General

The Bonds are obligations solely of the District and are not obligations of the City of Houston, Fort Bend County, the State of Texas, or any entity other than the District. Payment of the principal of and interest on the Bonds depends upon the ability of the District to collect taxes levied on taxable property within the District in an amount sufficient to service the District's bonded debt or in the event of foreclosure, on the value of the taxable property in the District and the taxes levied by the District and other taxing authorities upon the property within the District. See "THE BONDS—Source of Payment." The collection by the District of delinquent taxes owed to it and the enforcement by Registered Owners of the District's obligation 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 taxable property within the District will accumulate or maintain taxable values sufficient to justify continued payment of taxes by property owners or that there will be a market for the property or that owners of the property will have the ability to pay taxes. See "Registered Owners' Remedies" below.

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"). The Governor has issued successive renewals of the State disaster declarations, most recently renewing such declaration on July 10, 2020. 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. 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.

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.

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 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.

Hurricanes and Tropical Storms

The greater Houston area, including the District, is subject to occasional severe weather events, including tropical storms and hurricanes. If the District were to sustain damage to its facilities requiring substantial repair or replacement, or if substantial damage were to occur to taxable property within the District as a result of such a weather event, the investment security of the Bonds could be adversely affected. The greater Houston area has experienced four storms exceeding a 0.2% probability (i.e. "500-year flood" events) since 2015, including Hurricane Harvey, which made landfall along the Texas Gulf Coast on August 26, 2017, and brought historic levels of rainfall during the successive four days.

According the Operator and the Engineer, the District's water and sewer system did not sustain any material damage and there was no interruption of water and sewer service. Further, the District did not receive any reports of homes, apartments or commercial improvements within the District that experienced structural flooding or other material damage as a result of Hurricane Harvey.

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

Certain qualified taxpayers, including owners of residential homesteads, located within a 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 tax payer 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.

Specific Flood Type Risks

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

Riverine (or Fluvial) Flood: Riverine, or fluvial, flooding occurs when water levels rise over the top of river, bayou or channel banks due to excessive rain from tropical systems making landfall and/or persistent thunderstorms over the same area for extended periods of time. The damage from a riverine flood can be widespread. The overflow can affect smaller rivers and streams downstream, or may sheet-flow over land. Flash flooding is a type of riverine flood that is characterized by an intense, high velocity torrent of water that occurs in an existing river channel with little to no notice. Flash flooding can also occur even if no rain has fallen, for instance, after a levee, dam or reservoir has failed or experienced an uncontrolled release, or after a sudden release of water by a debris or ice jam. In addition, planned or unplanned controlled releases from a dam, levee or reservoir also may result in flooding in areas adjacent to rivers, bayous or drainage systems downstream.

Economic Factors and Interest Rates

A substantial percentage of the taxable value of the District results from the current market value of single-family residences and developed lots, multifamily and commercial facilities. The market value of such homes, lots, and multifamily and commercial facilities is related to general economic conditions affecting the demand for residences. Demand for lots of this type and the construction of residential dwellings thereon can be significantly affected by factors such as interest rates, credit availability, construction costs, energy availability and the prosperity and demographic characteristics of the urban center toward which the marketing of lots is directed. Decreased levels of construction activity would tend to restrict the growth of property values in the District or could adversely impact such values.

Credit Markets and Liquidity in the Financial Markets

Interest rates and the availability of mortgage and development funding have a direct impact on the construction activity, particularly short-term interest rates at which developers are able to obtain financing for development costs. Interest rate levels may affect the ability of a landowner with undeveloped property to undertake and complete construction activities within the District. Because of the numerous and changing factors affecting the availability of funds, particularly liquidity in the national credit markets, the District is unable to assess the future availability of such funds for continued construction within the District. In addition, since the District is located approximately 23 miles from the central downtown business district of the City of Houston, the success of development within the District and growth of District taxable property values are, to a great extent, a function of the Houston metropolitan and regional economies and national credit and financial markets. A downturn in the economic conditions of Houston and decline in the nation's real estate and financial markets could affect development and home-building plans in the District and restrain the growth of or reduce the District's property tax base.

Competition

The demand for and construction of single-family homes in the District, which is 23 miles from downtown Houston, could be affected by competition from other residential developments including other residential developments located in the Houston metropolitan area. In addition to competition for new home sales from other developments, there are numerous previously-owned homes in the area of the District and in more established neighborhoods. Such homes could represent additional competition for new homes proposed to be sold within the District.

The competitive position of the Developers in the sale of developed lots and of prospective builders in the construction of single-family residential houses within the District is affected by most of the factors discussed in this section. Such a competitive position directly affects the growth and maintenance of taxable values in the District. The District can give no assurance that building and marketing programs in the District by the Developers will be implemented or, if implemented, will be successful.

Overlapping Debt and Taxes

All of the land within the District, except the 271 acre tract being developed as McCrary Meadows Development, is located within LID 12, and is subject to taxation by LID 12. The 2019 tax rate of LID 12 is \$0.08 per \$100 of taxable assessed valuation (\$0.045 for debt service and \$0.035 for maintenance and operations). LID 12 has \$10,750,000 principal amount of unlimited tax bonds outstanding.

The District intends that the composite of its tax rate and that of LID 12, will not exceed \$1.50 per \$100 of taxable assessed valuation, however, the District cannot control the tax rate of LID 12. There can be no assurances that the composite of the tax rates imposed by all jurisdictions on property in the District will be competitive with the composite of the tax rates of competing projects in the Harris/Fort Bend County region. To the extent that such composite tax rates are not competitive with competing developments, the growth of property tax values in the District and the investment quality or security of the Bonds could be adversely affected. A combined tax rate of \$1.29 per \$100 of taxable assessed valuation for the District and LID 12 is higher than the tax rate of many municipal utility districts in the Houston metropolitan area, although such a combined rate is within the range set by many municipal utility districts in the Houston metropolitan area in stages of development comparable with the District.

The current TCEQ rules regarding the feasibility of a bond issue for utility districts in Fort Bend County limit the projected "combined tax rate" attributable to an entity levying a tax for water, wastewater and drainage to $1.50 per $100 of taxable assessed valuation. In the case of the District, the total "combined tax rate" under current TCEQ rules includes the tax rate of the District and LID 12. If the total "combined tax rate" specifically attributable to water, sewer, drainage, roads and recreational facilities should ever exceed $1.50 per $100 of taxable assessed valuation, the District and LID 12 could be prohibited under rules of the TCEQ from selling additional bonds. See "Possible Impact on District Tax Rates" herein and "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Overlapping Taxes."

Future Debt

After issuance of the Bonds, the District will have $30,105,000 principal amount of unlimited tax bonds for refunding outstanding bonds, $59,095,000 principal amount of unlimited tax bonds for Water, Sewer and Drainage Facilities, and no additional authorization of unlimited tax bonds for purchasing and constructing parks and recreational facilities. The issuance of future debt may adversely affect the investment security of the Bonds. The District does not employ any formula with regard to assessed valuations or tax collections or otherwise to limit the amount of bonds which may be issued. Any bonds issued by the District, however, must be approved by the Attorney General of Texas and the Board of the District and any bonds issued to acquire or construct water, sanitary sewer and drainage facilities must be approved by the TCEQ.

The District has submitted a bond application to the TCEQ requesting authorization to issue approximately $11,960,000 million principal amount of unlimited tax bonds. The District anticipates approval and issuance of such bonds in the fourth quarter of 2020.

Undeveloped Acreage, Vacant Land and Vacant Lots

There are approximately 44 developable acres of land within the District that have not been provided with water, sanitary sewer, storm sewer, park, road and other facilities necessary for the construction of taxable improvements and approximately 58 acres within the District where utility construction is currently underway for 229 single-family residential lots with completion expected by the first quarter of 2021. In addition, there are 167 vacant developed lots and approximately 101 acres served by underground trunkline water distribution, wastewater collection, and storm drainage facilities for future commercial/multi-family. The District makes no representation as to when or if development of the undeveloped acreage will occur, if construction of improvements will occur on the commercial acreage will occur, or that the lot sales and building program will be successful. See "THE DISTRICT—Description and Location" for information on a proposed annexation of approximately 144 acres into the District's boundaries.

Tax Collections Limitations and Foreclosure Remedies

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 local taxing authorities on the property against which taxes are levied, and such lien may be enforced by judicial 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, or (c) market conditions affecting the marketability of taxable property within the District and limiting the proceeds from a foreclosure sale of such property. Moreover, the proceeds of any sale of property within the District available to pay debt service on the Bonds may be limited by the existence of other tax liens on the property (see "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Overlapping Taxes"), by the current aggregate tax rate being levied against the property, and by other factors (including the taxpayers' right to redeem property within two years of foreclosure for residential and agricultural use property and six months for other property). 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 assessed 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 other ways: first, a debtor's confirmation plan may allow a debtor to make installment payments on delinquent taxes for up to six 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.

Registered Owners' Remedies and Bankruptcy Limitations

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, so that in the absence of other waivers of such immunity by the Texas Legislature, a default by the District in its covenants in the Bond Resolution may not be reduced to a 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.

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 Federal Bankruptcy Code, 11 U.S.C. Sections 901-946. The filing of such petition would automatically stay the enforcement of Registered Owner's remedies, including mandamus. 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 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 negotiated in good faith with its creditors or is unable to negotiate with its creditors because negotiation is impracticable. Special districts such as the District must obtain the approval of the TCEQ as a condition to seeking relief under the Federal 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, the District could file a voluntary bankruptcy petition under Chapter 9, thereby invoking 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 making the decision of whether to grant the petitioning District relief from its creditors. While such a decision might be appealable, the concomitant delay and loss of remedies to the Registered Owner could potentially and adversely impair the value of the Registered Owner's claim.

If a petitioning district were allowed to proceed voluntarily under Chapter 9 of the Federal 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 Registered Owners by reducing or eliminating the amount of indebtedness, deferring or rearranging the debt service schedule, reducing or eliminating the interest rate, modifying or abrogating the collateral or security arrangements, substituting (in whole or in part) other securities, and otherwise compromising and modifying the rights and remedies of the Registered Owners' claims against a district.

A district may not be forced into bankruptcy involuntarily.

<u>Environmental Regulations</u>

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 coverage under MS4 Permit number TXR040504. 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.

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 NWPR is effective June 22, 2020, and is currently the subject of ongoing litigation.

Due to 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.

Marketability

The District has no understanding with the Underwriter regarding the reoffering yields or prices of the Bonds and 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 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.

Continuing Compliance with Certain Covenants

Failure of the District to comply with certain covenants contained in the Bond Resolution on a continuing basis prior to the maturity of the Bonds could result in interest on the Bonds becoming taxable retroactive to the date of original issuance. 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.

Risk Factors Related to the Purchase of Municipal Bond Insurance

The District has entered into an agreement with Build America Mutual Assurance Company ("BAM" or the "Insurer") for the purchase of a municipal bond insurance policy (the "Policy"). At the time of entering into the agreement, the Insurer was rated "AA" (stable outlook) by S&P. See "MUNICIPAL BOND INSURANCE."

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

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

Neither the District nor the Underwriter has made independent investigation into the claims paying ability of the Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal and interest on the Bonds and the claims paying ability of the Insurer, particularly over the life of the investment.

LEGAL MATTERS

Legal Proceedings

Delivery of the Bonds will be accompanied by the unqualified 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 by the District, 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 Allen Boone Humphries Robinson LLP, Bond Counsel, to a like effect and to the effect that, 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.

Bond Counsel has reviewed the information appearing in this OFFICIAL STATEMENT under "PLAN OF FINANCING," "THE BONDS," "THE DISTRICT—General," "TAXING PROCEDURES," "LEGAL MATTERS," "TAX MATTERS" and "CONTINUING DISCLOSURE OF INFORMATION" 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.

Allen Boone Humphries Robinson LLP also serves as general counsel to the District on matters other than the issuance of bonds. The legal fees paid to Bond Counsel for services rendered in connection with the issuance of the Bonds are based on a percentage of the Bonds actually issued, sold and delivered and, therefore, such fees are contingent upon the sale and delivery of the Bonds.

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 from that set forth or contemplated in the PRELIMINARY OFFICIAL STATEMENT.

No-Litigation Certificate

The District will furnish the Underwriter a certificate, executed by both the President or Vice President and Secretary or Assistant Secretary of the Board, and dated as of the date of delivery of the Bonds, to the effect that no litigation of any nature is pending or to its knowledge threatened, either in state or federal courts, contesting or attacking the Bonds; restraining or enjoining the levy, assessment and collection of ad valorem taxes to pay the interest or the principal of 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 or the title of the present officers of the District.

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.

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 Resolution that it will comply with these requirements.

Bond Counsel's opinion will assume continuing compliance with the covenants of the Bond Resolution 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. In addition, the District will rely on the report of Public Finance Partners LLC, regarding the mathematical accuracy of certain computations. If the District should fail to comply with the covenants in the Bond Resolution 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 Service. Additionally, backup withholding may apply to any such payments 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 individuals 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 hereof. 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 of the Bonds 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.

Tax Accounting Treatment of Original Issue Discount Bonds

The issue price of certain of the Bonds (the "Original Issue Discount Bonds") is less than the stated redemption price at maturity. In such case, under existing law, and based upon the assumptions hereinafter stated (a) the difference between (i) the stated amount payable at the maturity of each Original Issue Discount Bond and (ii) the issue price of such Original Issue Discount Bond constitutes original issue discount with respect to such Original Issue Discount Bond in the hands of any owner who has purchased such Original Issue Discount Bond at the initial public offering price in the initial public offering of the Bonds; and (b) such initial owner is entitled to exclude from gross income (as defined in Section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the period that such Original Issue Discount Bond continues to be owned by such owner.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Bond was held by such initial owner) is includable in gross income. (Because original issue discount is treated as interest for federal income tax purposes, the discussion regarding interest on the Bonds under the caption "TAX MATTERS" generally applies, except as otherwise provided below, to original issue discount on an Original Issue Discount Bond held by an owner who purchased such Bond at the initial offering price in the initial public offering of the Bonds and should be considered in connection with the discussion in this portion of the OFFICIAL STATEMENT.)

The foregoing is based on the assumptions that (a) the Underwriter has purchased the Bonds for contemporaneous sale to the general public and not for investment purposes, and (b) all of the Original Issue Discount Bonds have been offered, and a substantial amount of each maturity thereof has been sold, to the general public in arm's-length transactions for a cash price (and with no other consideration being included) equal to the initial offering prices thereof stated on the cover page of this OFFICIAL STATEMENT, and (c) the respective initial offering prices of the Original Issue Discount Bonds to the general public are equal to the fair market value thereof. Neither the District nor Bond Counsel warrants that the Original Issue Discount Bonds will be offered and sold in accordance with such assumptions.

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

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

Not Qualified Tax-Exempt Obligations

The Bonds have **not** been designated "qualified tax-exempt obligations" within the meaning of Section 265(b) of the Internal Revenue Code of 1986, as amended.

VERIFICATION OF MATHEMATICAL CALCULATIONS

Public Finance Partners LLC will deliver to the District, on or before the settlement date of the Bonds, its verification report indicating that it has verified the mathematical accuracy of (a) the mathematical computations of the adequacy of the funds deposited with the Paying Agent for the Refunded Bonds, to pay, when due, the maturing principal of, interest on and related call premium requirements, if any, of the Refunded Bonds; (b) the mathematical computations of yield used by Bond Counsel to support its opinion that interest on the Bonds will be excluded from gross income for federal income tax purposes; and (c) compliance with the City of Houston Ordinance 97-416.

Public Finance Partners LLC relied on the accuracy, completeness and reliability of all information provided to it by, and on all decisions and approvals of, the District. In addition, Public Finance Partners LLC has relied on any information provided to it by the District's retained advisors, consultants or legal counsel.

MUNICIPAL BOND RATING

It is expected that S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, ("S&P") will assign its municipal bond rating of "AA" (stable outlook) to this issue of Bonds with the understanding that upon delivery of the Bonds, a municipal bond insurance policy insuring the timely payment of the principal of and interest on the Bonds will be issued by Build America Mutual Assurance Company. Moody's Investors Service ("Moody's") has assigned an underlying credit rating of "Baa1" to the Bonds without regard to credit enhancement. An explanation of the rating may be obtained from Moody's, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. See "INVESTMENT CONSIDERATIONS—Risk Factors Related to the Purchase of Municipal Bond Insurance," "MUNICIPAL BOND INSURANCE," and "APPENDIX B."

There is no assurance that such ratings will continue for any given period of time or that they will not be revised or withdrawn entirely by S&P or Moody's, if in their judgment, circumstances so warrant. Any such revisions or withdrawal of the ratings may have an adverse effect on the market price of the Bonds.

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 APPENDIX B to this OFFICIAL STATEMENT.

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

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM. The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

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

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

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of June 30, 2020 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $488.7 million, $143.6 million and $345.1 million, respectively.

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

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

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

PREPARATION OF OFFICIAL STATEMENT

Sources and Compilation of Information

The financial data and other information contained in this OFFICIAL STATEMENT has been obtained primarily from the District's records, the Developers, the Engineer, the Tax Assessor/Collector, the Appraisal District and information from other sources. All of these sources are believed to be reliable, but no guarantee is made by the District as to the accuracy or completeness of the information derived from such sources, and its inclusion herein is not to be construed as a representation on the part of the District except as described below under "Certification of Official Statement." Furthermore, there is no guarantee that any of the assumptions or estimates contained herein will be realized. The summaries of the agreements, reports, statutes, resolutions, engineering and other related information set forth in this OFFICIAL STATEMENT are included herein 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.

Financial Advisor

Masterson Advisors LLC is employed as the Financial Advisor to the District to render certain professional services, including advising the District on a plan of financing and preparing the OFFICIAL STATEMENT. In its capacity as Financial Advisor, Masterson Advisors LLC has compiled and edited this OFFICIAL STATEMENT. The Financial Advisor has reviewed the information in this OFFICIAL STATEMENT in accordance with, and as a part of, its responsibilities to the District and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

Consultants

In approving this OFFICIAL STATEMENT the District has relied upon the following consultants.

Tax Assessor/Collector: The information contained in this OFFICIAL STATEMENT relating to the breakdown of the District's historical assessed value and principal taxpayers, including particularly such information contained in the section entitled "TAX DATA" has been provided by Tax Tech, Inc., and is included herein in reliance upon the authority of such firm as an expert in assessing property values and collecting taxes.

Engineer: The information contained in this OFFICIAL STATEMENT relating to engineering and to the description of the System and, in particular that information included in the sections entitled "THE DISTRICT" and "THE SYSTEM" has been provided by Jones & Carter, Inc. and has been included herein in reliance upon the authority of said firm as experts in the field of civil engineering.

Auditor: The District's audited financial statement for the fiscal year ending June 30, 2019, was prepared by McCall Gibson Swedlund Barfoot, PLLC, Certified Public Accountants. See APPENDIX A.

Bookkeeper: The information related to the "unaudited" summary of the District's General Operating Fund as it appears in "THE SYSTEM—Water and Wastewater Operations" has been provided by Municipal Accounts & Consulting, L.P., and is included herein in reliance upon the authority of such firm as an expert in tracking and managing the various funds of municipal utility districts.

Updating the 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 the Underwriter 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 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 as required by law (but not more than 90 days after the date the District delivers the Bonds).

Certification of Official Statement

The District, acting through its Board in its official capacity, hereby certifies, as of the date hereof, that the information, statements, and descriptions or any addenda, supplement and amendment thereto pertaining to the District and its affairs contained herein, to the best of its knowledge and belief, contain no untrue statement of a material fact and do not omit to state any material fact necessary to make the statements herein, in the light of the circumstances under which they are made, not misleading. With respect to information included in this OFFICIAL STATEMENT other than that relating to the District, the District has no reason to believe that such information contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements herein, in the light of the circumstances under which they are made, not misleading; however, the Board has made no independent investigation as to the accuracy or completeness of the information derived from sources other than the District. In rendering such certificate, the Board has relied in part upon its examination of records of the District, and upon discussions with, or certificates or correspondence signed by, certain other officials, employees, consultants and representatives of the District.

CONTINUING DISCLOSURE OF INFORMATION

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

Annual Reports

The District will provide certain financial information and operating data annually to the MSRB. The financial information and operating data which will be provided 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 "THE SYSTEM," "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)," except for "Estimated Overlapping Debt," "TAX DATA," and in APPENDIX A (Financial Statements of the District and certain supplemental schedules). The District will update and provide this information to the MSRB within six months after the end of each of its fiscal years ending in or after 2020. Any financial statements so provided shall be prepared in accordance with generally accepted auditing standards 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 the period during which it must be provided. If the audit report is not complete within such period, then the District shall provide unaudited financial statements for the applicable period to the MSRB within such six month period, and audited financial statements when the audit report becomes available.

The District's current fiscal year end is June 30. Accordingly, it must provide updated information by December 31 in each year, unless the District changes its fiscal year. If the District changes its fiscal year, it will notify the MSRB of the change.

Event Notices

The District will provide timely notices of certain events to the MRSB, 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 status of the Bonds, or other material events affecting the tax 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; (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person or the sale of all or substantially all of the assets of the District or other obligated person, 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 other 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 other obligated person, any of which affect Beneficial Owners of the Bonds, 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 other obligated person, any of which reflect financial difficulties. The terms "obligated person" and "financial obligation" when used in this paragraph shall have the meanings ascribed to them under SEC Rule 15c2-12 (the "Rule"). The term "material" when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Resolution makes any provision for debt service reserves or liquidity enhancement. In addition, the District will provide timely notice of any failure by the District to provide financial information, operating data, or financial statements in accordance with its agreement described above under "Annual Reports."

Availability of Information from the MSRB

The District has agreed to provide the foregoing updated information only to the MSRB. The MSRB makes the information available to the public without charge through an internet portal at www.emma.msrb.org.

Limitations and Amendments

The District has agreed to update information and to provide notices of specified events only as described above. The District has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects; nor has the District agreed to update any information that is provided, except as described above. The District makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The District disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders or Beneficial Owners of Bonds may seek a writ of mandamus to compel the District to comply with its agreement.

The District may amend its continuing disclosure agreement from time to time to adapt to 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 Resolution 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 the District in accordance with SEC Rule 15c2-12.

MISCELLANEOUS

All estimates, statements and assumptions in this OFFICIAL STATEMENT and the APPENDICES hereto have been made on the basis of the best information available and are believed to be reliable and accurate. Any statements in this OFFICIAL STATEMENT involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact, and no representation is made that any such statements will be realized.

/s/ Jacey Jetton
President, Board of Directors

ATTEST:

/s/ Chris Elam
Secretary, Board of Directors

APPENDIX A

Financial Statement of the District for the year ended June 30, 2019

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143

FORT BEND COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

JUNE 30, 2019

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143

FORT BEND COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

JUNE 30, 2019

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

McCALL GIBSON SWEDLUND BARFOOT PLLC

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Fort Bend County Municipal
Utility District No. 143
Fort Bend County, Texas

We have audited the accompanying financial statements of the governmental activities and each major fund of Fort Bend County Municipal Utility District No. 143 (the "District"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Board of Directors
Fort Bend County Municipal Utility District No. 143

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 June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

McCall Gibson Swedlund Barfoot PLLC

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
Houston, Texas

October 7, 2019

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019

Management's discussion and analysis of Fort Bend County Municipal Utility District No. 143's (the "District") financial performance provides an overview of the District's financial activities for the year ended June 30, 2019. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

FUND FINANCIAL STATEMENTS

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

FUND FINANCIAL STATEMENTS (Continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities by $3,972,292 as of June 30, 2019. A portion of the District's net position reflects its net investment in capital assets (land as well as the water, wastewater, drainage and recreational facilities, less any debt used to acquire those assets that is still outstanding). The following is a comparative analysis of government-wide changes in net position:

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Summary of Changes in the Statement of Net Position

	2019	2018	Change Positive (Negative)
Current and Other Assets	$ 12,619,219	$ 12,597,107	$ 22,112
Capital Assets (Net of Accumulated Depreciation)	36,552,075	32,954,034	3,598,041
Total Assets	$ 49,171,294	$ 45,551,141	$ 3,620,153
Deferred Outflows of Resources	$ 508,462	$ 544,535	$ (36,073)
Bonds Payable	$ 38,978,099	$ 38,867,944	$ (110,155)
Due to Developers	5,114,504	3,292,019	(1,822,485)
Other Liabilities	1,614,861	1,525,712	(89,149)
Total Liabilities	$ 45,707,464	$ 43,685,675	$ (2,021,789)
Net Position:			
Net Investment in Capital Assets	$ (4,831,065)	$ (5,144,899)	$ 313,834
Restricted	3,808,245	3,732,274	75,971
Unrestricted	4,995,112	3,822,626	1,172,486
Total Net Position	$ 3,972,292	$ 2,410,001	$ 1,562,291

The following table provides a summary of the District's operations for the year ended June 30, 2019, and June 30, 2018. The District's net position increased by $1,562,291.

Summary of Changes in the Statement of Activities

	2019	2018	Change Positive (Negative)
Revenues:			
Property Taxes	$ 4,385,591	$ 3,862,137	$ 523,454
Charges for Services	2,298,870	2,195,771	103,099
Other Revenues	319,638	152,483	167,155
Total Revenues	$ 7,004,099	$ 6,210,391	$ 793,708
Expenses for Services	5,441,808	5,513,328	71,520
Change in Net Position	$ 1,562,291	$ 697,063	$ 865,228
Net Position, Beginning of Year	2,410,001	1,712,938	697,063
Net Position, End of Year	$ 3,972,292	$ 2,410,001	$ 1,562,291

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as June 30, 2019, were $11,307,745, an increase of $6,672 from the prior year. The General Fund fund balance increased by $1,175,466, primarily due to an increase in tax and service revenues as a result of growth within the District and a transfer of surplus funds from the Capital Projects Fund. The Debt Service Fund fund balance increased by $146,700 due to the structure of the District's outstanding debt. The Capital Projects Fund fund balance decreased by $1,315,494. The District used bond proceeds received in the current and prior fiscal years to reimburse developers and pay for construction of infrastructure.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District adopted an unappropriated budget for the current fiscal year which was amended to increase the budgeted amounts for property tax revenues, wastewater service revenues and capital outlay. Actual revenues were $746,039 more than budgeted revenues, primarily due to higher than anticipated service revenues, investment revenues and tap fees. Actual expenditures were $402,270 less than budgeted expenditures primarily due to lower than anticipated capital outlay.

CAPITAL ASSETS

Capital assets as of June 30, 2019, total $36,552,075 (net of accumulated depreciation) and include land, as well as the water, wastewater, drainage and recreational facilities and the District's capacity interest in the Grand Mission Municipal Utility District No. 1 joint facilities. Capital asset activity included: the District's share of the Regional Wastewater Plant Expansion; McCrary Meadows Water Supply Plant Phase II and Hydrotank No. 2; Waterview Estate Park Improvements; and reimburse the developer for the McCrary Meadows Recreational Facilities construction costs.

Capital Assets At Year-End, Net of Accumulated Depreciation

	2019	2018	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	$ 3,090,926	$ 3,090,926	$
Construction in Progress	2,348,556	540,587	1,807,969
Capital Assets, Net of Accumulated Depreciation:			
Water System	6,813,477	6,793,053	20,424
Wastewater System	10,240,258	10,118,661	121,597
Drainage System	12,776,577	12,352,436	424,141
Recreational Facilities	1,282,281	58,371	1,223,910
Total Net Capital Assets	$ 36,552,075	$ 32,954,034	$ 3,598,041

LONG-TERM DEBT ACTIVITY

As of June 30, 2019, the District had total bond debt payable of $39,040,000. The changes in the bond debt position of the District during the year ended June 30, 2019, are summarized as follows:

Bond Debt Payable, July 1, 2018	$ 38,935,000
Add: Bond Sale	1,545,000
Less: Bond Principal Paid	1,440,000
Bond Debt Payable, June 30, 2019	$ 39,040,000

The District's bonds have an underlying rating of either BBB- by Moody's or Baa1 by Standard & Poor's. The Series 2013A, 2013B, 2013C, 2014 Refunding, 2016 Refunding and 2018 Bonds have insured ratings of AA by virtue of bond insurance issued by Build America Mutual Assurance Company. The Series 2015 Bonds have an insured rating of AA by virtue of bond insurance issued by Municipal Assurance Corp. The Series 2017 Bonds have an insured rating by virtue of bond insurance issued by National Public Finance Guarantee that has been withdrawn. The Series 2017A Refunding and Series 2019 Park Bonds have insured ratings of AA by virtue of bond insurance issued by Assured Guaranty Municipal. The above ratings are as of June 30, 2019, and reflect changes, if any, through year end.

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Fort Bend County Municipal Utility District No. 143, c/o Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2019

	General Fund	Debt Service Fund
ASSETS		
Cash	$ 407,926	$ 62,900
Investments	4,370,267	4,166,449
Receivables:		
Property Taxes	14,300	24,247
Service Accounts (Net of Allowance for Uncollectible Accounts of $2,000)	149,132	
Accrued Interest	8,513	2,688
Other	45,078	
Due from Other Funds	6,622	
Prepaid Costs	219,582	
Joint Facilities Operating Advances	176,744	
Land		
Construction in Progress		
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	$ 5,398,164	$ 4,256,284
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charges on Refunding Bonds	$ - 0 -	$ - 0 -
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 5,398,164	$ 4,256,284

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
$ 278,012	$ 748,838	$	$ 748,838
2,595,563	11,132,279		11,132,279
	38,547		38,547
	149,132		149,132
	11,201		11,201
	45,078		45,078
	6,622	(6,622)	
	219,582	97,818	317,400
	176,744		176,744
		3,090,926	3,090,926
		2,348,556	2,348,556
		31,112,593	31,112,593
$ 2,873,575	$ 12,528,023	$ 36,643,271	$ 49,171,294
$ - 0 -	$ - 0 -	$ 508,462	$ 508,462
$ 2,873,575	$ 12,528,023	$ 37,151,733	$ 49,679,756

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

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2019

	General Fund	Debt Service Fund
LIABILITIES		
Accounts Payable	$ 384,595	$ 93
Accrued Interest Payable		
Due to Developers		
Due to Other Funds		6,622
Security Deposits	116,275	
Accrued Interest at Time of Sale		1,572
Long-Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	$ 500,870	$ 8,287
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	$ 14,300	$ 24,247
FUND BALANCES		
Nonspendable:		
Prepaid Costs	$ 219,582	$
Operating Advances	176,744	
Restricted for Authorized Construction		
Restricted for Debt Service		4,223,750
Unassigned	4,486,668	
TOTAL FUND BALANCES	$ 4,882,994	$ 4,223,750
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 5,398,164	$ 4,256,284
NET POSITION		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
TOTAL NET POSITION		

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
$ 672,574	$ 1,057,262	$	$ 1,057,262
		441,324	441,324
		5,114,504	5,114,504
	6,622	(6,622)	
	116,275		116,275
	1,572	(1,572)	
		1,765,000	1,765,000
		37,213,099	37,213,099
$ 672,574	$ 1,181,731	$ 44,525,733	$ 45,707,464
$ - 0 -	$ 38,547	$ (38,547)	$ - 0 -
$	$ 219,582	$ (219,582)	$
	176,744	(176,744)	
2,201,001	2,201,001	(2,201,001)	
	4,223,750	(4,223,750)	
	4,486,668	(4,486,668)	
$ 2,201,001	$ 11,307,745	$ (11,307,745)	$ - 0 -
$ 2,873,575	$ 12,528,023		
		$ (4,831,065)	$ (4,831,065)
		3,808,245	3,808,245
		4,995,112	4,995,112
		$ 3,972,292	$ 3,972,292

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

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

Total Fund Balances - Governmental Funds		$ 11,307,745
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Prepaid bond insurance is amortized over the term of the refunding bonds.		97,818
The difference between the net carrying amount of the refunded bonds and the reacquisition price is recorded as a deferred outflow of resources in the governmental activities and systematically charged to interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter.		508,462
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		36,552,075
Deferred inflows of resources related to property tax revenues for the 2018 and prior tax levies became part of recognized revenue in the governmental activities of the District.		38,547
Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year end consist of:		
Due to Developer	$ (5,114,504)	
Accrued Interest Payable	(439,752)	
Bonds Payable	(38,978,099)	(44,532,355)
Total Net Position - Governmental Activities		$ 3,972,292

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

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FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	$ 1,624,712	$ 2,754,963
Water Service	406,746	
Wastewater Service	648,507	
Fire Protection Service	259,854	
Water Authority Fees	531,500	
Penalty and Interest	38,739	18,804
Tap Connection and Inspection Fees	394,720	
Investment and Miscellaneous Revenues	166,750	77,609
TOTAL REVENUES	$ 4,071,528	$ 2,851,376
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	$ 359,452	$ 6,679
Contracted Services	392,387	66,335
Purchased Water Service	500,659	
Purchased Wastewater Service	223,635	
Detention Facilities Costs	27,116	
Fire Protection Service	249,481	
Repairs and Maintenance	239,437	
Depreciation		
Other	931,052	3,924
Capital Outlay		
Developer Interest		
Debt Service:		
Bond Issuance Costs		
Bond Principal		1,440,000
Bond Interest		1,187,738
TOTAL EXPENDITURES/EXPENSES	$ 2,923,219	$ 2,704,676
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES	$ 1,148,309	$ 146,700
OTHER FINANCING SOURCES (USES)		
Transfers In(Out)	$ 27,157	$
Proceeds from Issuance of Long-Term Debt		
TOTAL OTHER FINANCING SOURCES (USES)	$ 27,157	$ -0-
NET CHANGE IN FUND BALANCES	$ 1,175,466	$ 146,700
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - JULY 1, 2018	3,707,528	4,077,050
FUND BALANCES/NET POSITION - JUNE 30, 2019	$ 4,882,994	$ 4,223,750

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

Capital Projects Fund	Total	Adjustments	Statement of Activities
$	$ 4,379,675	$ 5,916	$ 4,385,591
	406,746		406,746
	648,507		648,507
	259,854		259,854
	531,500		531,500
	57,543		57,543
	394,720		394,720
75,279	319,638		319,638
$ 75,279	$ 6,998,183	$ 5,916	$ 7,004,099
$ 28,202	$ 394,333	$	$ 394,333
	458,722		458,722
	500,659		500,659
	223,635		223,635
	27,116		27,116
	249,481		249,481
	239,437		239,437
		915,007	915,007
112	935,088		935,088
2,690,563	2,690,563	(2,690,563)	
20,399	20,399		20,399
169,340	169,340		169,340
	1,440,000	(1,440,000)	
	1,187,738	120,853	1,308,591
$ 2,908,616	$ 8,536,511	$ (3,094,703)	$ 5,441,808
$ (2,833,337)	$ (1,538,328)	$ 3,100,619	$ 1,562,291
$ (27,157)	$	$	$
1,545,000	1,545,000	(1,545,000)	
$ 1,517,843	$ 1,545,000	$ (1,545,000)	$ -0-
$ (1,315,494)	$ 6,672	$ (6,672)	$
		1,562,291	1,562,291
3,516,495	11,301,073	(8,891,072)	2,410,001
$ 2,201,001	$ 11,307,745	$ (7,335,453)	$ 3,972,292

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

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2019

Net Change in Fund Balances - Governmental Funds	$ 6,672
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.	5,916
Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.	(915,007)
Governmental funds report capital expenditures as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by new purchases and the Statement of Activities is not affected.	2,690,563
Governmental funds report capital lease and bond principal payments as expenditures. However, in the Statement of Net Position, capital lease and bond principal payments are reported as decreases in long-term liabilities.	1,440,000
Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end.	(120,853)
Governmental funds report bond proceeds as other financing sources. Issued bonds increase long-term liabilities in the Statement of Net Position.	(1,545,000)
Change in Net Position - Governmental Activities	$ 1,562,291

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

NOTE 1. CREATION OF DISTRICT

Fort Bend County Municipal Utility District No. 143 was created effective November 4, 2003, by an Order of the Texas Commission on Environmental Quality (the "Commission"). Pursuant to the provisions of Chapters 49 and 54 of the Texas Water Code, the District is empowered to purchase, operate and maintain all facilities, plants, and improvements necessary to provide water, sanitary sewer service, storm sewer drainage, irrigation, solid waste collection and disposal, including recycling, and to construct parks and recreational facilities for the residents of the District. The District is also empowered to contract for or employ its own peace officers with powers to make arrests and to establish, operate and maintain a fire department to perform all fire-fighting activities within the District. The Board of Directors held its first meeting on January 15, 2004 and sold its first bonds on December 15, 2005.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

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

The District has entered into a joint venture with Grand Mission Municipal Utility District No. 1 (Grand Mission), Fort Bend County Municipal Utility District No. 165 (District No. 165) and Grand Mission Municipal Utility District No. 2 (District No. 2) for water service through a joint water plant. Grand Mission has oversight over the water plant. Additional disclosure concerning this joint venture is provided in Note 8.

The District has entered into a joint venture with Grand Mission, District No. 165, and District No. 2 for wastewater disposal through a joint wastewater treatment plant. Grand Mission has oversight responsibility over the plant. Additional disclosure concerning this joint venture is provided in Note 9.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District has entered into a joint venture with Grand Mission, District No. 165, and District No. 2 for construction and operation of joint detention facilities. Grand Mission has oversight responsibility over the facilities. Additional disclosure concerning this joint venture is provided in Note 10.

Financial Statement Presentation

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

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

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

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

Government-Wide Financial Statements

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Financial Statements (Continued)

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

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

Fund Financial Statements

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

Governmental Funds

The District has three governmental funds and considers each to be a major fund.

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

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

Capital Projects Fund – To account for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

Basis of Accounting

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

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

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis. The Debt Service Fund recorded a payable to the General Fund of $6,622 for maintenance tax collections. This is a timing difference between collections and transfers between funds and was settled after year-end. During the current fiscal year, the Capital Projects Fund transferred $27,157 to the General Fund to reimburse for prior year bond issuance costs.

Capital Assets

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

The District chose to early implement GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period.* Interest costs will no longer be capitalized as part of the asset but will be shown as an expenditure in the fund financial statements and as an expense in the government-wide financial statements.

Assets are capitalized, including infrastructure assets, if they have an original cost greater than $5,000 and a useful life over two years. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation. Estimated useful lives are as follows:

	Years
Water System	10-45
Wastewater System	10-45
Drainage System	10-45
Recreational Facilities	10-45

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgeting

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

Pensions

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

Measurement Focus

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

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

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

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

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

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

Unassigned: all other spendable amounts in the General Fund.

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

Accounting Estimates

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

NOTE 3. LONG-TERM DEBT

	Series 2008	Series 2010	Series 2011	Series 2013 Refunding
Amounts Outstanding – June 30, 2019	$170,000	$ 60,000	$ 160,000	$ 1,750,000
Interest Rates	4.875%	3.50%	4.10% - 4.25%	2.60% - 4.00%
Maturity Dates – Serially Beginning/Ending	September 1, 2019	September 1, 2019	September 1, 2019/2020	September 1, 2019/2030
Interest Payment Dates	September 1/ March 1	September 1/ March 1	September 1/ March 1	September 1/ March 1
Callable Dates	September 1, 2017*	September 1, 2018*	September 1, 2019*	September 1, 2019*

* Or any date thereafter at a price of par value plus unpaid interest from the most recent interest payment date to the date fixed for redemption. The Series 2013 Refunding bonds maturing on September 1, 2023, 2025, 2028 and 2030 are term bonds and are scheduled for mandatory redemption beginning on September 1, 2022, 2024, 2027 and 2029, respectively.

NOTE 3. LONG-TERM DEBT (Continued)

	Series 2013A	Series 2013B	Series 2013C	Series 2014 Refunding
Amounts Outstanding – June 30, 2019	$ 495,000	$ 355,000	$ 710,000	$ 3,680,000
Interest Rates	3.00% - 4.50%	3.25% - 5.00%	3.00% - 4.75%	3.00% - 4.00%
Maturity Dates – Serially Beginning/Ending	September 1, 2019/2036	September 1, 2019/2036	September 1, 2019/2036	September 1, 2019/2031
Interest Payment Dates	September 1/ March 1	September 1/ March 1	September 1/ March 1	September 1/ March 1
Callable Dates	September 1, 2019**	Non-callable	September 1, 2020**	September 1, 2022**

	Series 2015	Series 2016 Refunding	Series 2017	Series 2017A Refunding
Amounts Outstanding – June 30, 2019	$ 2,345,000	$ 3,445,000	$ 12,975,000	$ 3,370,000
Interest Rates	2.00% - 3.625%	2.00% - 3.25%	2.00% - 3.75%	2.00% - 3.50%
Maturity Dates – Serially Beginning/Ending	September 1, 2019/2039	September 1, 2019/2032	September 1, 2019/2042	September 1, 2019/2036
Interest Payment Dates	September 1/ March 1	September 1/ March 1	September 1/ March 1	September 1/ March 1
Callable Dates	September 1, 2022**	September 1, 2022**	September 1, 2024**	September 1, 2024**

** Or any date thereafter at a price of par value plus unpaid interest from the most recent interest payment date to the date fixed for redemption. The Series 2013A bonds maturing on September 1, 2027, 2031 and 2036 are term bonds and are scheduled for mandatory redemption beginning on September 1, 2021, 2028 and 2032, respectively. The Series 2013B bonds maturing on September 1, 2029 and 2036 are term bonds and are scheduled for mandatory redemption beginning on September 1, 2020 and 2030, respectively. The Series 2013C bonds maturing on September 1, 2030 and 2036 are term bonds and are scheduled for mandatory redemption beginning on September 1, 2026 and 2031, respectively. The Series 2015 bonds maturing on September 1, 2029, 2031, 2033, 2035 and 2039 are scheduled for mandatory redemption beginning on September 1, 2028, 2030, 2032, 2034 and 2036, respectively. The Series 2017 bonds maturing on September 1, 2028, 2033, 2037, 2039 and 2042 are scheduled for mandatory redemption beginning on September 1, 2027, 2032, 2036, 2038 and 2040, respectively.

NOTE 3. LONG-TERM DEBT (Continued)

	Series 2018	Series 2019
Amounts Outstanding – June 30, 2019	$ 7,980,000	$ 1,545,000
Interest Rates	3.125% - 4.00%	3.00% - 5.50%
Maturity Dates – Serially Beginning/Ending	September 1, 2019/2042	September 1, 2019/2042
Interest Payment Dates	September 1/ March 1	September 1/ March 1
Callable Dates	September 1, 2023***	September 1, 2024***

*** Or any date thereafter at a price of par value plus unpaid interest from the most recent interest payment date to the date fixed for redemption. The Series 2018 bonds maturing on September 1, 2030 and 2035 are scheduled for mandatory redemption beginning on September 1, 2029 and 2034, respectively. The Series 2019 bonds maturing on September 1, 2034, 2036, 2038, 2040, and 2042 are scheduled for mandatory redemption beginning on September 1, 2033, 2035, 2037, 2039, and 2041, respectively.

As of June 30, 2019, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2020	$ 1,765,000	$ 1,281,814	$ 3,046,814
2021	1,795,000	1,214,044	3,009,044
2022	1,815,000	1,156,415	2,971,415
2023	1,840,000	1,100,339	2,940,339
2024	1,870,000	1,046,112	2,916,112
2025-2029	9,790,000	4,353,493	14,143,493
2030-2034	9,185,000	2,713,024	11,898,024
2035-2039	6,590,000	1,380,653	7,970,653
2040-2043	4,390,000	324,237	4,714,237
	$ 39,040,000	$ 14,570,131	$ 53,610,131

As of June 30, 2019, the District had authorized but unissued bonds in the amount of $67,410,000 for utilities, $30,105,000 for refunding purposes. The bonds are payable from the proceeds of an ad valorem tax levied upon all property subject to taxation within the District, without limitation as to rate or amount. The following is a summary of transactions regarding bonds payable for the year ended June 30, 2019:

NOTE 3. LONG-TERM DEBT (Continued)

	July 1, 2018	Additions	Retirements	June 30, 2019
Bonds Payable	$ 38,935,000	$ 1,545,000	$ 1,440,000	$ 39,040,000
Unamortized Bond Discounts	(197,186)		(14,899)	(182,287)
Unamortized Bond Premiums	130,130		9,744	120,386
Bonds Payable, Net	$ 38,867,944	$ 1,545,000	$ 1,434,845	$ 38,978,099

Amount Due Within One Year	$ 1,765,000
Amount Due After One Year	37,213,099
Bonds Payable, Net	$ 38,978,099

During the year ended June 30, 2019, the District levied an ad valorem debt service tax rate of $0.78 per $100 of assessed valuation, which resulted in a tax levy of $2,758,717 on the adjusted taxable valuation of $353,681,694 for the 2018 tax year. The bond resolutions require the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. See Note 7 for the maintenance tax levy. The District's tax calendar is as follows:

Levy Date	- October 1, or as soon thereafter practicable.
Lien Date	- January 1.
Due Date	- Upon receipt, but no later than January 31.
Delinquent Date	- February 1, at which time the taxpayer is liable for penalty and interest.

NOTE 4. SIGNIFICANT BOND RESOLUTION AND LEGAL REQUIREMENTS

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

The bond resolutions state that the District is required by the Securities and Exchange Commission to provide continuing disclosure of certain general financial information and operating data with respect to the District to certain information repositories. This information, along with the audited annual financial statements, is to be provided within six months after the end of each fiscal year and shall continue to be provided through the life of the bonds.

NOTE 5. DEPOSITS AND INVESTMENTS

Deposits

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

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At June 30, 2019, the carrying amount of the District's deposits was $2,908,838 and the bank balance was $2,943,736. The District was not exposed to custodial credit risk at year-end.

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at June 30, 2019, as listed below:

	Cash	Certificates of Deposit	Total
GENERAL FUND	$ 407,926	$ 1,680,000	$ 2,087,926
DEBT SERVICE FUND	62,900	480,000	542,900
CAPITAL PROJECTS FUND	278,012		278,012
TOTAL DEPOSITS	$ 748,838	$ 2,160,000	$ 2,908,838

Investments

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

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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

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

As of June 30, 2019, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities of Less Than 1 Year
GENERAL FUND		
TexPool	$ 2,690,267	$ 2,690,267
Certificates of Deposit	1,680,000	1,680,000
DEBT SERVICE FUND		
TexPool	3,686,449	3,686,449
Certificates of Deposit	480,000	480,000
CAPITAL PROJECTS FUND		
TexPool	2,595,563	2,595,563
TOTAL INVESTMENTS	$ 11,132,279	$ 11,132,279

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2019, the District's investment in TexPool was rated AAAm by Standard and Poor's. The District also manages credit risk by investing in certificates of deposit covered by FDIC insurance. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investment in TexPool to have a maturity of less than one year due to the fact the share position can usually be redeemed each day at the discretion of the District, unless there has been a significant change in value. The District also manages interest rate risk by investing in certificates of deposit with maturities of approximately one year or less.

Restrictions - All cash and investments of the Debt Service Fund are restricted for the payment of debt service and the costs of assessing and collecting taxes. All cash and investments of the Capital Projects Fund are restricted for the purchase of capital assets.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 is as follows:

	July 1, 2018	Increases	Decreases	June 30, 2019
Capital Assets Not Being Depreciated				
Land and Land Improvements	$ 3,090,926	$	$	$ 3,090,926
Construction in Progress	540,587	4,513,048	2,705,079	2,348,556
Total Capital Assets Not Being Depreciated	$ 3,631,513	$ 4,513,048	$ 2,705,079	$ 5,439,482
Capital Assets Subject to Depreciation				
Water System	$ 8,034,264	$ 249,617	$	$ 8,283,881
Wastewater System	11,881,500	426,938		12,308,438
Drainage System	14,311,578	742,402		15,053,980
Recreational Facilities	63,471	1,286,122		1,349,593
Total Capital Assets Subject to Depreciation	$ 34,290,813	$ 2,705,079	$ - 0 -	$ 36,995,892
Accumulated Depreciation				
Water System	$ 1,241,211	$ 229,193	$	$ 1,470,404
Wastewater System	1,762,839	305,341		2,068,180
Drainage System	1,959,142	318,261		2,277,403
Recreational Facilities	5,100	62,212		67,312
Total Accumulated Depreciation	$ 4,968,292	$ 915,007	$ - 0 -	$ 5,883,299
Total Depreciable Capital Assets, Net of Accumulated Depreciation	$ 29,322,521	$ 1,790,072	$ - 0 -	$ 31,112,593
Total Capital Assets, Net of Accumulated Depreciation	$ 32,954,034	$ 6,303,120	$ 2,705,079	$ 36,552,075

NOTE 7. MAINTENANCE TAX

On May 15, 2004, the voters of the District approved the levy and collection of a maintenance tax not to exceed $1.50 per $100 of assessed valuation of taxable property within the District. This maintenance tax is to be used by the General Fund to pay expenditures of operating the District's waterworks and wastewater system or for any other lawful purposes. During the current year, the District levied an ad valorem maintenance tax rate of $0.46 per $100 of assessed valuation, which resulted in a tax levy of $1,626,936 on the adjusted taxable valuation of $353,681,694 for the 2018 tax year.

NOTE 8. REGIONAL WATER SUPPLY SYSTEM

The District is a participant in a regional water supply system with Grand Mission, District No. 2 and District No. 165 pursuant to an agreement, as amended. Approximately 200 acres annexed into the District in 2014 have a separate water supply and are not part of the Grand Mission system.

NOTE 8. REGIONAL WATER SUPPLY SYSTEM

Grand Mission holds title to the water plant and has responsibility for capital improvements as well as maintenance of the water plant. The costs of operating and maintaining the water plant are shared based on metered water usage within each District. Non-routine repairs and maintenance costs are shared based on ownership capacity. During the year ended June 30, 2019, the District paid $500,659 for purchased water. The District maintains a reserve balance of $84,832. The term of this agreement is 40 years.

The following summary financial data on the joint water plant is presented for the fiscal year ended June 30, 2019. Separate financial statements are not issued for the plant.

	Joint Water Facilities
Total Assets	$ 848,372
Total Liabilities	420,139
Total Fund Balance	$ 428,233
Total Revenues	$ 2,660,551
Total Expenditures	2,660,551
Excess (Deficiency) of Revenues Over Expenditures	$ -0-
Other Financing Sources – Reserve Increase	18,450
Net Change in Fund Balance	$ 18,450
Beginning Fund Balance	409,783
Ending Fund Balance	$ 428,233

NOTE 9. REGIONAL WASTEWATER TREATMENT FACILITIES

The District is a participant in regional wastewater treatment facilities with Grand Mission, District No. 2 and District No. 165 pursuant to an agreement, as amended.

The District owns an aggregate of 454,390 gpd of wastewater treatment capacity in the plant and leases 57,200 gpd of capacity to District No. 2. Ownership of the system belongs to Grand Mission. Unless terminated by mutual agreement of the participants, the contracts will continue in force and effect as long as the participants are in existence. Monthly billings consist of a fixed capacity charge, currently $1.50 per 1,000 gallons of treatment capacity in the system reserved to each participant, and an operating charge, currently $11.58 per active single family residential connections. During the year ended June 30, 2019, the District incurred costs of $223,635 for purchased wastewater services. The District maintains a reserve balance of $71,922.

NOTE 9. REGIONAL WASTEWATER TREATMENT FACILITIES (Continued)

The following summary financial data of the joint wastewater treatment facilities is presented for the fiscal year ended June 30, 2019. Separate financial statements are not issued for the plant.

	Joint Wastewater Treatment Facilities
Total Assets	$ 2,159,636
Total Liabilities	1,883,253
Total Fund Balance	$ 276,383
Total Revenues	$ 3,009,473
Total Expenditures	3,009,473
Net Change in Fund Balance	$ -0-
Beginning Fund Balance	276,383
Ending Fund Balance	$ 276,383

NOTE 10. REGIONAL DETENTION FACILITIES

The District is a participant in regional detention facilities with Grand Mission, District No. 2 and District No. 165 pursuant to an agreement, as amended. Grand Mission operates the detention facilities. Each district is responsible for operation and maintenance costs based on its pro rata share of detention volume. During the year ended June 30, 2019, the District incurred detention facilities costs of $27,116. The District maintains a reserve balance of $19,990. The term of this agreement is 50 years from its effective date.

The following summary financial data of the joint detention facilities is presented for the fiscal year ended June 30, 2019. Separate financial statements are not issued for the plant.

	Detention Facilities
Total Assets	$ 81,766
Total Liabilities	7,972
Total Fund Balance	$ 73,794
Total Revenues	$ 131,575
Total Expenditures	131,575
Net Change in Fund Balance	$ -0-
Beginning Fund Balance	73,794
Ending Fund Balance	$ 73,794

NOTE 11. UNREIMBURSED COSTS

The District has executed financing agreements with Developers within the District. The agreements call for the Developers to fund costs associated with water, sewer, drainage and recreational facilities until such time as the District can sell bonds. Reimbursement will come from proceeds of future bond sales.

NOTE 12. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage and no settlements have exceeded coverage in the past three years.

NOTE 13. FIRE PROTECTION AGREEMENT

On October 18, 2004, the District entered into a Fire Protection Agreement (the “Agreement”) with the City of Richmond, Texas (the “City”) which calls for the City to provide fire protection to persons, buildings and property located within the District within the City’s extraterritorial jurisdiction. This agreement became effective after receipt of approval of the plan from the Commission and the Board of Directors declaring the favorable results of the voter election to approve the fire plan in November 2006. In a prior year, the District paid the City $67,817 as a cash contribution toward the capital cost of the new fire station. The City’s new fire station is on Farmer Road, approximately two miles from the District. The term of the Agreement is 15 years, and is automatically renewed for successive one-year terms.

The District currently pays the City $11.87 for each residential unit in the District that is connected to the public water supply system and $11.87 per 2,000 square feet or part thereof of building floor area for every improved non-residential property. These monthly charges are adjusted annually by the City.

The District’s current rate order requires each equivalent residential connection to be billed $11.87 per month and each commercial connection to be billed $11.87 per 2,000 square feet or part thereof of building floor area.

NOTE 14. NORTH FORT BEND WATER AUTHORITY

The District is located within the boundaries of the North Fort Bend Water Authority (the “Authority”). The Authority was created under Article 16, Section 59 of the Texas Constitution by House Bill 3482 (the “Act”), as passed by the 79th Texas Legislature, in 2005. The Act empowers the Authority for purposes including the acquisition and provision of surface water and groundwater for residential, commercial, industrial, agricultural, and other uses, the

NOTE 14. NORTH FORT BEND WATER AUTHORITY (Continued)

reduction of groundwater withdrawals, the conservation, preservation, protection, recharge, and prevention of waste of groundwater, and of groundwater reservoirs or their subdivisions, and the control of subsidence caused by withdrawal of water from those groundwater reservoirs or their subdivisions. The Authority charges fees, based on the amount of water pumped or surface water purchased. The District participates in regional water facilities with adjacent districts (see Note 8) to serve the majority of the District's customers. The McCrary Meadows development is served by a separate water supply system.

NOTE 15. EMERGENCY WATER SUPPLY AGREEMENT

On May 1, 2006, the District executed an Emergency Water Supply Agreement with Fort Bend County Municipal Utility District No. 118 and for notice and consent purposes District No. 165, Grand Mission and District No. 2. The parties agree to furnish water to each other on an emergency basis for a maximum period of 30 days unless otherwise agreed in writing between the districts. The price to be paid for water delivered is $1.00 per 1,000 gallons of water supplied, plus an additional amount necessary to cover Authority pumpage charges. The term of the agreement is 40 years and will be automatically extended year to year unless cancelled by a participating district.

NOTE 16. LIFT STATION AGREEMENTS

On June 10, 2003, the District entered into a cost sharing agreement with Grand Mission. The District operates and maintains the lift station. The District bills Grand Mission for its share of costs based on each district's pro-rata share of equivalent single family residential connections to be served by the lift station within each district's tract.

The District entered into a cost sharing agreement with District No. 165 for the construction and maintenance of a lift station on January 12, 2006. The District's share of the maintenance is 11.07%.

NOTE 17. ON-SITE FORCE MAIN AGREEMENT

On May 18, 2006, the District entered into a Construction and Financing Agreement for an On-site Force Main with District No. 165. This agreement was amended on October 9, 2008. Construction and engineering costs will be allocated based on each district's pro-rata share of equivalent single family residential connections to be served by the on-site force main within each district's tract. District No. 165 operates and maintains the on-site force main and bills the District its pro-rata share of operating costs.

NOTE 18. OFF-SITE FORCE MAIN AGREEMENT

On January 12, 2006, and as amended on October 9, 2008, the District entered into a Construction and Financing Agreement for an Off-site Force Main with District No. 165. Construction and engineering costs will be allocated based on each district's pro-rata share of equivalent single family residential connections to be served by the off-site force main within each district's tract. District No. 165 operates and maintains the off-site force main and bills the District its pro-rata share of operating costs.

NOTE 19. STRATEGIC PARTNERSHIP AGREEMENT

The District entered into a Strategic Partnership Agreement (the "SPA") with the City of Houston (the "City") pursuant to Chapter 43 of the Texas Local Government Code on December 19, 2011. The SPA provides for a "limited purpose annexation" of that portion of the District developed for retail and commercial purposes in order to apply certain City health, safety, planning and zoning ordinances and impose a sales tax within the District. Pursuant to the terms of the SPA, certain commercial tracts within the District have been annexed into the City of Houston for limited purposes and the City of Houston has imposed a one percent sales and use tax (but no property tax) within the areas of limited-purpose annexation and agreed to remit one-half of such sales and use tax to the District to be used for any lawful District purpose. Residential development within the District is not subject to the limited purpose annexation. The SPA provides the terms and conditions under which services would be provided and funded by the parties and under which the District would continue to exist if the land within the District were to be annexed for full or limited purposes by the City. The SPA also provides that the City will not annex the District for "full purposes" (a traditional municipal annexation) for at least 30 years from the effective date of the SPA, which is 2041. To date, the District has not received any SPA proceeds.

NOTE 20. BOND SALE

On January 10, 2019, the District closed on the sale of its $1,545,000 Series 2019 Unlimited Tax Park Bonds. Bond proceeds were used to reimburse the Developer for the construction and engineering of facilities to serve McCrary Meadows Recreation Center Facility and Waterview Estates Recreational improvements. Bond proceeds were also used pay for issuance costs of the bonds.

NOTE 21. CAPACITY LEASE AGREEMENT

On October 1, 2014 the District, District No. 2 and Lennar Homes of Texas Land and Construction, Ltd. ("Lennar") executed a capacity lease agreement. The District has surplus capacity in the regional wastewater treatment plant which it has agreed to lease to District No. 2. Lennar anticipates the need for capacity to serve 220 connections over and above connections currently available by District No. 2. This agreement will be in effect for a term ending on the date of the final expansion of the plant.

NOTE 22. AGREEMENT WITH WATERVIEW ESTATES HOA

On January 4, 2016, the District entered into an agreement with the Waterview Estates Owners Association, Inc. ("HOA"). This agreement was most recently amended on February 4, 2019. The District agrees to construct future improvements, if any, within the District's Amended Park Plan as noted in this agreement. The HOA will inspect, maintain and repair the future improvements. Also, with the execution of this agreement, the prior cost sharing agreement with the HOA for security patrol services for the Waterview Estates subdivision was terminated. The District's contribution to the HOA toward the cost of maintaining the improvements and the cost of additional security patrol in the District will be $320,550 for the calendar year 2019. The term of this agreement is one year.

NOTE 23. AGREEMENT WITH MCCRARY MEADOWS HOA

On January 8, 2018, the District entered into an agreement with the McCrary Meadows Homeowners Association, Inc. ("McCrary Meadows HOA"). The District agrees to construct future improvements, if any, within the District's Amended Park Plan as noted in this agreement. The McCrary Meadows HOA will inspect, maintain and repair the future improvements. The District's contribution to the McCrary Meadows HOA toward the cost of maintaining the improvements in the District will be $104,888 for the calendar year 2019. The term of this agreement is one year.

NOTE 24. WATER SUPPLY CAPACITY COST SHARING AND EMERGENCY WATER SUPPLY AGREEMENT

On February 2, 2015, the District entered into a Water Supply Cost Sharing and Emergency Water Supply Agreement with Fort Bend County Water Control and Improvement District No. 8 ("WCID No. 8") for the construction of a water plant, water well and a generator (collectively, the "Water Well"). WCID No. 8 holds title to the Water Well and has responsibility for operating and maintaining the Water Well. The District will pay monthly operating and maintenance expenses based on its prorata share. Capital improvements and certain operating and maintenance expenses will be based on the District's proportionate share of capacity.

The parties agree to furnish water to each other in the event of an emergency. The price to be paid for water delivered is $1.00 per 1,000 gallons of water supplied, plus an additional amount necessary to cover Authority pumpage charges. The term of the agreement is 40 years and will be automatically extended year-to-year, unless cancelled by a participating district.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143

REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2019

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
REVENUES				
Property Taxes	$ 1,405,012	$ 1,586,414	$ 1,624,712	$ 38,298
Water Service	370,000	370,000	406,746	36,746
Wastewater Service	542,000	564,000	648,507	84,507
Fire Protection Service	222,500	222,500	259,854	37,354
Water Authority Fees	456,500	456,500	531,500	75,000
Penalty and Interest	36,000	36,000	38,739	2,739
Tap Connection and Inspection Fees	34,400	34,400	394,720	360,320
Investment and Miscellaneous Revenues	55,675	55,675	166,750	111,075
TOTAL REVENUES	$ 3,122,087	$ 3,325,489	$ 4,071,528	$ 746,039
EXPENDITURES				
Services Operations:				
Professional Fees	$ 255,000	$ 255,000	$ 359,452	$ (104,452)
Contracted Services	387,425	387,425	392,387	(4,962)
Purchased Water Service	513,603	513,603	500,659	12,944
Purchased Wastewater Service	243,010	243,010	223,635	19,375
Detention Facilities Costs	94,630	94,630	27,116	67,514
Fire Protection Service	222,500	222,500	249,481	(26,981)
Repairs and Maintenance	290,800	290,800	239,437	51,363
Other	732,237	732,237	931,052	(198,815)
Capital Outlay	382,882	586,284		586,284
TOTAL EXPENDITURES	$ 3,122,087	$ 3,325,489	$ 2,923,219	$ 402,270
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ -0-	$ -0-	$ 1,148,309	$ 1,148,309
OTHER FINANCING SOURCES(USES)				
Transfers In	$ -0-	$ -0-	$ 27,157	$ 27,157
NET CHANGE IN FUND BALANCE	$ -0-	$ -0-	$ 1,175,466	$ 1,175,466
FUND BALANCE - JULY 1, 2018	3,707,528	3,707,528	3,707,528	
FUND BALANCE - JUNE 30, 2019	$ 3,707,528	$ 3,707,528	$ 4,882,994	$ 1,175,466

See accompanying independent auditor's report.

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FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143

SUPPLEMENTARY INFORMATION – REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

JUNE 30, 2019

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
SERVICES AND RATES
FOR THE YEAR ENDED JUNE 30, 2019

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

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

2. RETAIL SERVICE PROVIDERS

a. RETAIL RATES FOR A 1" METER (OR EQUIVALENT):

Based on the rate order approved January 7, 2019.

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons over Minimum Use	Usage Levels
WATER:	$ 20.00	0,001	N	$ 1.00	8,001-15,000
				$ 1.25	15,001-20,000
				$ 1.50	20,001-25,000
				$ 2.50	25,001-30,000
				$ 3.00	30,000 and up
WASTEWATER:	$ 34.25	N/A	Y		
SURCHARGE:					
Solid Waste/ Garbage	Included in fees above.				
Commission Regulatory Assessments	Included in fees above.				
Regional Water Authority Fees	$4.00 per 1,000 gallons of water				
Fire Protection Services	$ 11.87	N/A			

District employs winter averaging for wastewater usage? X Yes ___ No

Total monthly charges per 10,000 gallons usage: Water: $22.00 Wastewater: $34.25 Surcharge: $51.87

See accompanying independent auditor's report.

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
Unmetered			x 1.0	
≤¾"	1,519	1,513	x 1.0	1,513
1"	109	108	x 2.5	270
1½"	2	2	x 5.0	10
2"	20	20	x 8.0	160
3"	1	1	x 15.0	15
4"	1	1	x 25.0	25
6"	1	1	x 50.0	50
8"	2	2	x 80.0	160
10"			x 115.0	
Total Water Connections	1,655	1,648		2,203
Total Wastewater Connections	1,593	1,586	x 1.0	1,586

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

Gallons pumped into the system:	37,447,000	Water Accountability Ratio: *
Gallons billed to customers:	140,848,000	
Gallons purchased:	108,867,000	From: Grand Mission MUD No. 1

* The District participates in joint water supply facilities with Grand Mission, District No. 2, and District No. 165 (see Note 8). The operator indicates the McCrary system's accountability ratio is 84.7% while the joint system's accountability is 97.3%.

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

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

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

5. **LOCATION OF DISTRICT:**

Is the District located entirely within one county?

Yes __X__ No _____

County in which District is located:

Fort Bend County, Texas

Is the District located within a city?

Entirely _____ Partly ______ Not at all __X__

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

Entirely __X__ Partly ______ Not at all _____

ETJ in which District is located:

City of Houston, Texas.

Are Board Members appointed by an office outside the District?

Yes _____ No __X__

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2019

PROFESSIONAL FEES:		
Auditing	$	23,000
Engineering		191,554
Legal		144,898
TOTAL PROFESSIONAL FEES	$	359,452
PURCHASED SERVICES FOR RESALE:		
Purchased Water Service	$	500,659
Purchased Wastewater Service		223,635
Detention Facilities Costs		27,116
TOTAL PURCHASED SERVICES FOR RESALE	$	751,410
CONTRACTED SERVICES:		
Bookkeeping	$	29,323
Operations and Billing		89,999
TOTAL CONTRACTED SERVICES	$	119,322
UTILITIES	$	4,352
REPAIRS AND MAINTENANCE	$	239,437
ADMINISTRATIVE EXPENDITURES:		
Director Fees, Including Payroll Taxes and Administration	$	12,138
Insurance		12,411
Office Supplies and Postage		20,019
Travel and Meetings		6,767
Other		11,211
TOTAL ADMINISTRATIVE EXPENDITURES	$	62,546
TAP CONNECTIONS	$	143,726
SOLID WASTE DISPOSAL	$	273,065
FIRE FIGHTING	$	249,481
OTHER EXPENDITURES:		
Arbitrage Compliance Costs	$	5,000
Chemicals		3,205
Laboratory Fees		36,766
Permit Fees		4,979
Inspection and Reconnection Fees		52,225
Water Authority Assessment		131,531
Regulatory Assessment		5,138
Sludge Hauling		4,800
McCary Meadows Expense		82,688
HOA Management Costs		394,096
TOTAL OTHER EXPENDITURES	$	720,428
TOTAL EXPENDITURES	$	2,923,219

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
INVESTMENTS
JUNE 30, 2019

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
GENERAL FUND					
TexPool	XXXX0002	Varies	Daily	$ 2,690,267	$
Certificate of Deposit	XXXX5858	2.75%	05/01/20	240,000	1,067
Certificate of Deposit	XXXX2302	2.50%	01/11/20	240,000	1,233
Certificate of Deposit	XXXX0501	2.50%	02/10/20	240,000	1,233
Certificate of Deposit	XXXX2613	2.65%	04/15/20	240,000	1,306
Certificate of Deposit	XXXX0393	2.45%	12/12/19	240,000	1,208
Certificate of Deposit	XXXX0409	2.50%	11/12/19	240,000	1,233
Certificate of Deposit	XXXX4478	2.50%	03/11/20	240,000	1,233
TOTAL GENERAL FUND				$ 4,370,267	$ 8,513
DEBT SERVICE FUND					
TexPool	XXXX0003	Varies	Daily	$ 3,684,859	$
TexPool	XXXX0007	Varies	Daily	1,590	
Certificate of Deposit	XXXX4437	2.75%	04/16/20	240,000	1,356
Certificate of Deposit	XXXX6405	2.70%	04/15/20	240,000	1,332
TOTAL DEBT SERVICE FUND				$ 4,166,449	$ 2,688
CAPITAL PROJECTS FUND					
TexPool	XXXX0001	Varies	Daily	$ 745,044	$
TexPool	XXXX0005	Varies	Daily	1,497,792	
TexPool	XXXX0006	Varies	Daily	352,727	
TOTAL CAPITAL PROJECTS FUND				$ 2,595,563	$ - 0 -
TOTAL - ALL FUNDS				$ 11,132,279	$ 11,201

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2019

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE - JULY 1, 2018	$ 12,099		$ 20,532	
Adjustments to Beginning Balance	(23)	$ 12,076	(39)	$ 20,493
Original 2018 Tax Levy	$ 1,618,790		$ 2,744,905	
Adjustment to 2018 Tax Levy	8,146	1,626,936	13,812	2,758,717
TOTAL TO BE ACCOUNTED FOR		$ 1,639,012		$ 2,779,210
TAX COLLECTIONS:				
Prior Years	$ 11,054		$ 18,761	
Current Year	1,613,658	1,624,712	2,736,202	2,754,963
TAXES RECEIVABLE - JUNE 30, 2019		$ 14,300		$ 24,247
TAXES RECEIVABLE BY YEAR:				
2018		$ 13,278		$ 22,515
2017		1,022		1,732
TOTAL		$ 14,300		$ 24,247

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2019

	2018	2017	2016	2015
PROPERTY VALUATIONS:				
Land	$ 74,370,179	$ 58,320,800	$ 52,024,880	$ 47,598,680
Improvements	281,273,558	256,867,850	214,282,680	170,598,090
Personal Property	4,521,630	1,846,800	2,475,910	1,612,760
Exemptions	(6,483,673)	(5,194,149)	(3,609,554)	(2,787,666)
TOTAL PROPERTY VALUATIONS	$ 353,681,694	$ 311,841,301	$ 265,173,916	$ 217,021,864
TAX RATES PER $100 VALUATION:				
Debt Service	$ 0.78	$ 0.78	$ 0.78	$ 0.89
Maintenance	0.46	0.46	0.46	0.37
TOTAL TAX RATES PER $100 VALUATION	$ 1.24	$ 1.24	$ 1.24	$ 1.26
ADJUSTED TAX LEVY*	$ 4,385,653	$ 3,866,832	$ 3,288,157	$ 2,734,476
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	99.18 %	99.93 %	100.00 %	100.00 %

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

Maintenance Tax – Maximum tax rate of $1.50 per $100 of assessed valuation approved by voters on May 15, 2004.

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2019

	SERIES-2008		
Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1/ March 1	Total
2020	$ 170,000	$ 4,144	$ 174,144
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
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2038			
2039			
2040			
2041			
2042			
2043			
	$ 170,000	$ 4,144	$ 174,144

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2019

	SERIES - 2010		
Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1/ March 1	Total
2020	$ 60,000	$ 1,050	$ 61,050
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
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2040			
2041			
2042			
2043			
	$ 60,000	$ 1,050	$ 61,050

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2019

	SERIES-2011		
Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1/ March 1	Total
2020	$ 80,000	$ 5,040	$ 85,040
2021	80,000	1,700	81,700
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
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2042			
2043			
	$ 160,000	$ 6,740	$ 166,740

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2019

	SERIES-2013 REFUNDING		
Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1/ March 1	Total
2020	$ 115,000	$ 59,225	$ 174,225
2021	120,000	56,050	176,050
2022	125,000	52,495	177,495
2023	130,000	48,670	178,670
2024	135,000	44,695	179,695
2025	140,000	40,290	180,290
2026	145,000	35,445	180,445
2027	155,000	30,190	185,190
2028	160,000	24,200	184,200
2029	165,000	17,700	182,700
2030	175,000	10,900	185,900
2031	185,000	3,700	188,700
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
	$ 1,750,000	$ 423,560	$ 2,173,560

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2019

	S E R I E S - 2 0 1 3 A		
Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1/ March 1	Total
2020	$ 30,000	$ 15,500	$ 45,500
2021	30,000	14,375	44,375
2022	30,000	13,475	43,475
2023	30,000	12,575	42,575
2024	30,000	11,675	41,675
2025	30,000	10,775	40,775
2026	30,000	9,875	39,875
2027	30,000	8,975	38,975
2028	30,000	8,075	38,075
2029	25,000	7,219	32,219
2030	25,000	6,406	31,406
2031	25,000	5,594	30,594
2032	25,000	4,782	29,782
2033	25,000	3,938	28,938
2034	25,000	3,063	28,063
2035	25,000	2,187	27,187
2036	25,000	1,312	26,312
2037	25,000	438	25,438
2038			
2039			
2040			
2041			
2042			
2043			
	$ 495,000	$ 140,239	$ 635,239

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2019

	S E R I E S - 2 0 1 3 B		
Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1/ March 1	Total
2020	$ 20,000	$ 11,725	$ 31,725
2021	20,000	10,900	30,900
2022	20,000	10,250	30,250
2023	20,000	9,600	29,600
2024	20,000	8,950	28,950
2025	20,000	8,300	28,300
2026	20,000	7,650	27,650
2027	20,000	7,000	27,000
2028	20,000	6,350	26,350
2029	20,000	5,700	25,700
2030	20,000	5,050	25,050
2031	20,000	4,375	24,375
2032	20,000	3,675	23,675
2033	20,000	2,975	22,975
2034	20,000	2,275	22,275
2035	20,000	1,575	21,575
2036	20,000	875	20,875
2037	15,000	263	15,263
2038			
2039			
2040			
2041			
2042			
2043			
	$ 355,000	$ 107,488	$ 462,488

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2019

Due During Fiscal Years Ending June 30	SERIES-2013C Principal Due September 1	Interest Due September 1/ March 1	Total
2020	$ 40,000	$ 29,225	$ 69,225
2021	40,000	28,025	68,025
2022	40,000	26,625	66,625
2023	40,000	25,025	65,025
2024	40,000	23,425	63,425
2025	40,000	21,825	61,825
2026	40,000	20,225	60,225
2027	40,000	18,575	58,575
2028	40,000	16,875	56,875
2029	40,000	15,175	55,175
2030	40,000	13,476	53,476
2031	40,000	11,775	51,775
2032	40,000	9,975	49,975
2033	40,000	8,075	48,075
2034	40,000	6,175	46,175
2035	40,000	4,275	44,275
2036	35,000	2,494	37,494
2037	35,000	831	35,831
2038			
2039			
2040			
2041			
2042			
2043			
	$ 710,000	$ 282,076	$ 992,076

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2019

	SERIES-2014 REFUNDING		
Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1/ March 1	Total
2020	$ 215,000	$ 132,325	$ 347,325
2021	225,000	125,725	350,725
2022	230,000	118,900	348,900
2023	245,000	111,775	356,775
2024	250,000	104,350	354,350
2025	265,000	95,300	360,300
2026	275,000	84,500	359,500
2027	290,000	73,200	363,200
2028	305,000	61,300	366,300
2029	320,000	48,800	368,800
2030	335,000	35,700	370,700
2031	355,000	21,900	376,900
2032	370,000	7,400	377,400
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
	$ 3,680,000	$ 1,021,175	$ 4,701,175

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2019

	S E R I E S - 2 0 1 5		
Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1/ March 1	Total
2020	$ 115,000	$ 71,250	$ 186,250
2021	115,000	68,950	183,950
2022	115,000	66,650	181,650
2023	115,000	63,775	178,775
2024	115,000	60,325	175,325
2025	115,000	56,875	171,875
2026	115,000	53,425	168,425
2027	110,000	50,050	160,050
2028	110,000	46,750	156,750
2029	110,000	43,381	153,381
2030	110,000	39,944	149,944
2031	110,000	36,438	146,438
2032	110,000	32,863	142,863
2033	110,000	29,218	139,218
2034	110,000	25,506	135,506
2035	110,000	21,725	131,725
2036	110,000	17,875	127,875
2037	110,000	13,956	123,956
2038	110,000	9,969	119,969
2039	110,000	5,982	115,982
2040	110,000	1,994	111,994
2041			
2042			
2043			
	$ 2,345,000	$ 816,901	$ 3,161,901

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2019

	SERIES-2016 REFUNDING		
Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1/ March 1	Total
2020	$ 35,000	$ 104,188	$ 139,188
2021	215,000	100,612	315,612
2022	225,000	94,013	319,013
2023	225,000	87,262	312,262
2024	240,000	80,288	320,288
2025	245,000	73,012	318,012
2026	250,000	65,588	315,588
2027	260,000	57,937	317,937
2028	270,000	49,988	319,988
2029	280,000	41,738	321,738
2030	285,000	33,263	318,263
2031	295,000	24,378	319,378
2032	305,000	15,003	320,003
2033	315,000	5,119	320,119
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
	$ 3,445,000	$ 832,389	$ 4,277,389

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2019

	S E R I E S - 2 0 1 7		
Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1/ March 1	Total
2020	$ 525,000	$ 404,219	$ 929,219
2021	525,000	388,469	913,469
2022	525,000	372,719	897,719
2023	525,000	359,594	884,594
2024	525,000	348,766	873,766
2025	525,000	337,282	862,282
2026	525,000	324,812	849,812
2027	525,000	311,031	836,031
2028	525,000	295,937	820,937
2029	550,000	279,812	829,812
2030	550,000	263,313	813,313
2031	550,000	246,469	796,469
2032	550,000	228,937	778,937
2033	550,000	210,375	760,375
2034	550,000	191,125	741,125
2035	550,000	171,875	721,875
2036	550,000	152,625	702,625
2037	550,000	133,031	683,031
2038	550,000	113,094	663,094
2039	550,000	92,813	642,813
2040	550,000	72,188	622,188
2041	550,000	51,562	601,562
2042	550,000	30,937	580,937
2043	550,000	10,312	560,312
	$ 12,975,000	$ 5,391,297	$ 18,366,297

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2019

	SERIES-2017A REFUNDING		
Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1/ March 1	Total
2020	$ 35,000	$ 100,600	$ 135,600
2021	100,000	98,575	198,575
2022	180,000	94,375	274,375
2023	185,000	88,900	273,900
2024	190,000	84,225	274,225
2025	190,000	80,187	270,187
2026	190,000	75,794	265,794
2027	195,000	70,978	265,978
2028	195,000	65,738	260,738
2029	195,000	60,131	255,131
2030	200,000	54,206	254,206
2031	205,000	48,003	253,003
2032	205,000	41,469	246,469
2033	215,000	34,509	249,509
2034	215,000	27,254	242,254
2035	220,000	19,775	239,775
2036	225,000	11,987	236,987
2037	230,000	4,025	234,025
2038			
2039			
2040			
2041			
2042			
2043			
	$ 3,370,000	$ 1,060,731	$ 4,430,731

See accompanying independent auditor’s report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2019

Due During Fiscal Years Ending June 30	SERIES-2018 Principal Due September 1	Interest Due September 1/ March 1	Total
2020	$ 275,000	$ 272,894	$ 547,894
2021	275,000	261,894	536,894
2022	275,000	250,894	525,894
2023	275,000	239,894	514,894
2024	275,000	228,894	503,894
2025	275,000	219,097	494,097
2026	275,000	210,503	485,503
2027	275,000	201,909	476,909
2028	275,000	193,144	468,144
2029	275,000	184,206	459,206
2030	275,000	175,269	450,269
2031	275,000	166,331	441,331
2032	275,000	157,394	432,394
2033	275,000	148,456	423,456
2034	350,000	138,300	488,300
2035	350,000	126,706	476,706
2036	400,000	114,050	514,050
2037	400,000	100,550	500,550
2038	425,000	86,628	511,628
2039	425,000	72,284	497,284
2040	430,000	57,587	487,587
2041	450,000	41,906	491,906
2042	450,000	25,313	475,313
2043	450,000	8,438	458,438
	$ 7,980,000	$ 3,682,541	$ 11,662,541

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2019

	S E R I E S - 2 0 1 9		
Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1/ March 1	Total
2020	$ 50,000	$ 70,429	$ 120,429
2021	50,000	58,769	108,769
2022	50,000	56,019	106,019
2023	50,000	53,269	103,269
2024	50,000	50,519	100,519
2025	50,000	47,769	97,769
2026	50,000	45,644	95,644
2027	50,000	44,144	94,144
2028	60,000	42,494	102,494
2029	60,000	40,618	100,618
2030	60,000	38,631	98,631
2031	65,000	36,480	101,480
2032	75,000	33,984	108,984
2033	75,000	31,219	106,219
2034	75,000	28,359	103,359
2035	75,000	25,453	100,453
2036	75,000	22,500	97,500
2037	75,000	19,500	94,500
2038	75,000	16,500	91,500
2039	75,000	13,500	88,500
2040	75,000	10,500	85,500
2041	75,000	7,500	82,500
2042	75,000	4,500	79,500
2043	75,000	1,500	76,500
	$ 1,545,000	$ 799,800	$ 2,344,800

See accompanying independent auditor’s report.

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FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2019

	ANNUAL REQUIREMENTS FOR ALL SERIES		
Due During Fiscal Years Ending June 30	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2020	$ 1,765,000	$ 1,281,814	$ 3,046,814
2021	1,795,000	1,214,044	3,009,044
2022	1,815,000	1,156,415	2,971,415
2023	1,840,000	1,100,339	2,940,339
2024	1,870,000	1,046,112	2,916,112
2025	1,895,000	990,712	2,885,712
2026	1,915,000	933,461	2,848,461
2027	1,950,000	873,989	2,823,989
2028	1,990,000	810,851	2,800,851
2029	2,040,000	744,480	2,784,480
2030	2,075,000	676,158	2,751,158
2031	2,125,000	605,443	2,730,443
2032	1,975,000	535,482	2,510,482
2033	1,625,000	473,884	2,098,884
2034	1,385,000	422,057	1,807,057
2035	1,390,000	373,571	1,763,571
2036	1,440,000	323,718	1,763,718
2037	1,440,000	272,594	1,712,594
2038	1,160,000	226,191	1,386,191
2039	1,160,000	184,579	1,344,579
2040	1,165,000	142,269	1,307,269
2041	1,075,000	100,968	1,175,968
2042	1,075,000	60,750	1,135,750
2043	1,075,000	20,250	1,095,250
	$ 39,040,000	$ 14,570,131	$ 53,610,131

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
CHANGES IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED JUNE 30, 2019

Description	Original Bonds Issued	Bonds Outstanding July 1, 2018
Fort Bend County Municipal Utility District No. 143 Unlimited Tax Bonds - Series 2008	$ 4,630,000	$ 330,000
Fort Bend County Municipal Utility District No. 143 Unlimited Tax Bonds - Series 2010	2,180,000	115,000
Fort Bend County Municipal Utility District No. 143 Unlimited Tax Bonds - Series 2011	2,000,000	240,000
Fort Bend County Municipal Utility District No. 143 Unlimited Tax Refunding Bonds - Series 2013	2,390,000	1,860,000
Fort Bend County Municipal Utility District No. 143 Unlimited Tax Bonds - Series 2013A	645,000	525,000
Fort Bend County Municipal Utility District No. 143 Unlimited Tax Park Bonds - Series 2013B	455,000	375,000
Fort Bend County Municipal Utility District No. 143 Unlimited Tax Bonds - Series 2013C	905,000	750,000
Fort Bend County Municipal Utility District No. 143 Unlimited Tax Refunding Bonds - Series 2014	4,305,000	3,890,000
Fort Bend County Municipal Utility District No. 143 Unlimited Tax Bonds - Series 2015	2,690,000	2,460,000
Fort Bend County Municipal Utility District No. 143 Unlimited Tax Refunding Bonds - Series 2016	3,515,000	3,480,000

See accompanying independent auditor's report.

Current Year Transactions				
	Retirements		Bonds Outstanding	
Bonds Sold	Principal	Interest	June 30, 2019	Paying Agent
$	$ 160,000	$ 12,188	$ 170,000	Wells Fargo Bank N.A. Houston, TX
	55,000	2,994	60,000	Wells Fargo Bank N.A. Houston, TX
	80,000	8,280	160,000	Wells Fargo Bank N.A. Fort Worth, TX
	110,000	62,040	1,750,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	30,000	16,850	495,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	20,000	12,725	355,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	40,000	30,425	710,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	210,000	137,650	3,680,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	115,000	73,550	2,345,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	35,000	104,887	3,445,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX

See accompanying independent auditor’s report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
CHANGES IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED JUNE 30, 2019

Description	Original Bonds Issued	Bonds Outstanding July 1, 2018
Fort Bend County Municipal Utility District No. 143 Unlimited Tax Bonds - Series 2017	$ 13,500,000	$ 13,500,000
Fort Bend County Municipal Utility District No. 143 Unlimited Tax Refunding Bonds - Series 2017A	3,430,000	3,430,000
Fort Bend County Municipal Utility District No. 143 Unlimited Tax Bonds - Series 2018	7,980,000	7,980,000
Fort Bend County Municipal Utility District No. 143 Unlimited Tax Park Bonds - Series 2019	1,545,000	
TOTAL	$ 50,170,000	$ 38,935,000

Bond Authority:	Utility Bonds	Refunding Bonds	Park Bonds
Amount Authorized by Voters	$ 109,915,000	$ 31,000,000	$ 2,000,000
Amount Issued	42,505,000	895,000	2,000,000
Remaining to be Issued	$ 67,410,000	$ 30,105,000	$ - 0 -

Debt Service Fund cash and investment balances as of June 30, 2019: $ 4,229,349

Average annual debt service payment (principal and interest) for remaining term of all debt: $ 2,233,755

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

See accompanying independent auditor's report.

Current Year Transactions				
	Retirements		Bonds Outstanding	
Bonds Sold	Principal	Interest	June 30, 2019	Paying Agent
$	$ 525,000	$ 419,969	$ 12,975,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	60,000	102,025	3,370,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
		204,155	7,980,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
1,545,000			1,545,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
$ 1,545,000	$ 1,440,000	$ 1,187,738	$ 39,040,000	

See accompanying independent auditor’s report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - FIVE YEARS

	Amounts		
	2019	2018	2017*
REVENUES			
Property Taxes	$ 1,624,712	$ 1,434,065	$ 2,008,767
Water Service	406,746	401,544	471,059
Wastewater Service	648,507	547,894	716,032
Fire Protection Service	259,854	223,271	297,484
Water Authority Fees	531,500	557,358	496,437
Penalty and Interest	38,739	35,757	55,825
Tap Connection and Inspection Fees	394,720	410,360	239,226
Investment and Miscellaneous Revenues	166,750	100,706	85,459
TOTAL REVENUES	$ 4,071,528	$ 3,710,955	$ 4,370,289
EXPENDITURES			
Professional Fees	$ 359,452	$ 288,318	$ 309,239
Contracted Services	392,387	358,009	423,723
Purchased Water Service	500,659	477,982	690,360
Purchased Wastewater Service	223,635	218,037	214,998
Detention Facilities Costs	27,116	27,569	34,519
Fire Protection Service	249,481	215,047	275,684
Repairs and Maintenance	239,437	242,947	189,663
Other	931,052	836,297	1,349,698
Capital Outlay		712,930	422,125
TOTAL EXPENDITURES	$ 2,923,219	$ 3,377,136	$ 3,910,009
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 1,148,309	$ 333,819	$ 460,280
OTHER FINANCING SOURCES (USES)			
Transfers In(Out)	$ 27,157	$ 524,441	$ - 0 -
NET CHANGE IN FUND BALANCE	$ 1,175,466	$ 858,260	$ 460,280
BEGINNING FUND BALANCE	3,707,528	2,849,268	2,388,988
ENDING FUND BALANCE	$ 4,882,994	$ 3,707,528	$ 2,849,268

* Eighteen-month period

See accompanying independent auditor’s report.

		Percentage of Total Revenues				
2015	2014	2019	2018	2017*	2015	2014
$ 665,987	$ 499,568	39.8 %	38.6 %	45.8 %	31.6 %	29.0 %
304,372	249,801	10.0	10.8	10.8	14.5	14.5
430,222	362,744	15.9	14.8	16.4	20.5	21.0
156,001	134,967	6.4	6.0	6.8	7.4	7.8
262,680	236,651	13.1	15.0	11.4	12.5	13.7
34,240	25,584	1.0	1.0	1.3	1.6	1.5
200,930	191,581	9.7	11.1	5.5	9.6	11.1
47,662	23,677	4.1	2.7	2.0	2.3	1.4
$ 2,102,094	$ 1,724,573	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
$ 249,971	$ 193,023	8.8 %	7.8 %	7.1 %	11.9 %	11.2 %
307,962	281,358	9.6	9.6	9.7	14.7	16.3
337,582	276,657	12.3	12.9	15.8	16.1	16.0
206,476	195,447	5.5	5.9	4.9	9.8	11.3
29,650	31,096	0.7	0.7	0.8	1.4	1.8
153,456	142,748	6.1	5.8	6.3	7.3	8.3
85,225	109,940	5.9	6.5	4.3	4.1	6.4
178,197	167,573	22.9	22.5	30.9	8.5	9.7
39,161	156,299		19.2	9.7	1.9	9.1
$ 1,587,680	$ 1,554,141	71.8 %	90.9 %	89.5 %	75.7 %	90.1 %
$ 514,414	$ 170,432	28.2 %	9.1 %	10.5 %	24.3 %	9.9 %
$ 166,879	$ 27,166					
$ 681,293	$ 197,598					
1,707,695	1,510,097					
$ 2,388,988	$ 1,707,695					

See accompanying independent auditor’s report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND - FIVE YEARS

	Amounts		
	2019	2018	2017*
REVENUES			
Property Taxes	$ 2,754,963	$ 2,431,699	$ 3,975,244
Penalty and Interest	18,804	19,587	15,702
Investment and Miscellaneous Revenues	77,609	42,585	17,070
TOTAL REVENUES	$ 2,851,376	$ 2,493,871	$ 4,008,016
EXPENDITURES			
Tax Collection Expenditures	$ 69,638	$ 219,340	$ 230,810
Debt Service Principal	1,440,000	835,000	780,000
Debt Service Interest and Fees	1,195,038	943,885	1,034,061
TOTAL EXPENDITURES	$ 2,704,676	$ 1,998,225	$ 2,044,871
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 146,700	$ 495,646	$ 1,963,145
OTHER FINANCING SOURCES (USES)			
Transfer to Refunded Bond Escrow Agent	$	$ (3,220,011)	$ (3,401,534)
Bond Premium			39,732
Bond Discount		(47,249)	
Proceeds from Issuance of Long-Term Debt		3,430,000	3,942,844
TOTAL OTHER FINANCING SOURCES (USES)	$ - 0 -	$ 162,740	$ 581,042
NET CHANGE IN FUND BALANCE	$ 146,700	$ 658,386	$ 2,544,187
BEGINNING FUND BALANCE	4,077,050	3,418,664	874,477
ENDING FUND BALANCE	$ 4,223,750	$ 4,077,050	$ 3,418,664
TOTAL ACTIVE RETAIL WATER CONNECTIONS	1,648	1,486	1,350
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	1,586	1,437	1,304

* Eighteen-month period

See accompanying independent auditor's report.

2015	2014	2019	2018	2017*	2015	2014
		Percentage of Total Revenues				
$ 1,433,014	$ 1,255,671	96.6 %	97.5 %	99.2 %	98.0 %	99.5 %
27,278	5,841	0.7	0.8	0.4	1.9	0.5
1,580	598	2.7	1.7	0.4	0.1	
$ 1,461,872	$ 1,262,110	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
$ 43,805	$ 192,647	2.4 %	8.8 %	5.8 %	3.0 %	15.3 %
645,000	590,000	50.5	33.5	19.5	44.1	46.7
709,037	737,645	41.9	37.8	25.8	48.5	58.4
$ 1,397,842	$ 1,520,292	94.8 %	80.1 %	51.1 %	95.6 %	120.4 %
$ 64,030	$ (258,182)	5.2 %	19.9 %	48.9 %	4.4 %	(20.4) %
$	$ (4,277,805)					
	123,421					
	4,305,000					
$ - 0 -	$ 150,616					
$ 64,030	$ (107,566)					
810,447	918,013					
$ 874,477	$ 810,447					
1,192	1,143					
1,157	1,110					

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JUNE 30, 2019

District Mailing Address	-	Fort Bend County Municipal Utility District No. 143 c/o Allen Boone Humphries Robinson LLP 3200 Southwest Freeway, Suite 2600 Houston, TX 77027
District Telephone Number	-	(713) 860-6400

Board Members:	Term of Office (Elected or Appointed)	Fees of Office for the year ended June 30, 2019	Expense Reimbursements for the year ended June 30, 2019	Title
Jacey Jetton	05/2016 05/2020 (Elected)	$ 2,250	$ 718	President
Chris Elam	05/2018 05/2022 (Elected)	$ 2,550	$ 1,133	Secretary
Terry Hawkins	12/2016 05/2020 (Appointed)	$ 900	$ 61	Assistant Vice President/ Assistant Secretary
Kellie McCubbin	05/2018 05/2022 (Elected)	$ 2,700	$ 2,647	Assist. VP/ Assist. Sec. Resigned 10/2019
Kyle Macfarlan	05/2016 05/2020 (Elected)	$ 1,350	$ 62	VP Resigned 08/2019

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

Submission date of most recent District Registration Form (TWC Sections 36.054 and 49.054): May 15, 2018.

The limit on Fees of Office that a Director may receive during a fiscal year is the maximum amount allowed by law as set by Board Resolution on February 2, 2004. Fees of Office are the amounts actually paid to a Director during the District's current fiscal year.

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 143
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JUNE 30, 2019

Consultants:	Date Hired	Fees/Compensation for the year ended June 30, 2019	Title
Allen Boone Humphries Robinson LLP	01/15/04	$ 186,159	General Counsel
		$ 46,404	Bond Counsel
McCall Gibson Swedlund Barfoot PLLC	11/12/04	$ 21,000	Auditor
		$ 9,400	Bond Related
Municipal Accounts & Consulting, LP	05/05/18	$ 39,470	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, LLP	04/05/04	$ 6,679	Delinquent Tax Attorney
Jones & Carter, Inc.	01/05/04	$ 202,450	Engineer
LJA Engineering, Inc.	04/06/15	$ 108,569	Engineer – McCrary Meadows Project
Masterson Advisors LLC	04/30/18	$ 34,948	Financial Advisor
Mark Burton		$ -0-	Investment Officer
Environmental Development Partners, LLC	05/07/12	$ 548,966	Operator
Esther Flores	04/05/04	$ 30,472	Tax Assessor/ Collector

See accompanying independent auditor's report.

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)