OFFICIAL STATEMENT DATED APRIL 20, 2021

IN THE OPINION OF BOND COUNSEL, THE BONDS ARE VALID OBLIGATIONS OF FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 142 IN THE OPINION OF SPECIAL TAX COUNSEL, INTEREST ON THE BONDS IS EXCLUDABLE FROM GROSS INCOME FOR PURPOSES OF FEDERAL INCOME TAXATION UNDER STATUTES, REGULATIONS, PUBLISHED RULINGS AND COURT DECISIONS EXISTING ON THE DATE OF SUCH OPINION. SEE "LEGAL MATTERS" AND "TAX MATTERS" HEREIN FOR A DISCUSSION OF THE OPINIONS OF BOND COUNSEL AND SPECIAL TAX COUNSEL.

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

NEW ISSUE - Book-Entry Only

Ratings: S&P Global Ratings (AGM Insured)…."AA" (stable outlook)
Moody's Investors Service, Inc. (AGM Insured) …."A2" (stable outlook)
Moody's Investors Service, Inc. (Underlying) …."A2"
See "BOND INSURANCE" and "RATINGS" herein

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 142
(A Political Subdivision of the State of Texas located within Fort Bend County, Texas)

$6,295,000	**$2,295,000**
Unlimited Tax Refunding Bonds	**Unlimited Tax Park Refunding Bonds**
Series 2021A (the "Series 2021A Bonds")	**Series 2021B (the "Series 2021B Park Bonds")**

Dated: June 1, 2021 **Due: September 1, as shown below**

Principal of the above Series 2021A Bonds and Series 2021B Bonds (collectively, the "Bonds") is payable to the registered owners thereof (the "Registered Owners") by the paying agent/registrar, initially, The Bank of New York Mellon Trust Company, N. A., currently in Dallas, Texas, or any successor paying agent/registrar (the "Paying Agent," "Registrar" or "Paying Agent/Registrar"). Interest on the Bonds accrues from June 1, 2021, and is payable on September 1, 2021 (three-month interest payment), and on each March 1 and September 1 thereafter until the earlier of maturity or redemption. The Bonds are issued in denominations of $5,000 or any integral multiple thereof in fully registered form only.

The Bonds, including the Term Bonds, maturing on and after September 1, 2027, are subject to redemption prior to maturity at the option of Fort Bend County Municipal Utility District No. 142 (the "District"), as a whole or in part, on September 1, 2026, or any date thereafter, at a price equal to the principal amount of the Bonds or the portions thereof so called for redemption plus accrued interest from the most recent interest payment date to the date fixed for redemption. If fewer than all of the Bonds are redeemed at any time, the particular maturities and amounts of the Bonds to be redeemed shall be selected by the District in integral multiples of $5,000 within any one maturity. If fewer than all of the Bonds of any given maturity are to be redeemed at any time, the particular Bonds to be redeemed shall be selected by such method of random selection as determined by the Registrar (or by DTC, as defined below, in accordance with its procedures while the Bonds are in book-entry-only form). The Registered Owner of any Bond, all or a portion of which has been called for redemption, shall be required to present same to the Registrar for payment of the redemption price on the portion of the Bond so called for redemption and issuance of a new Bond in the principal amount equal to the portion of such Bond not redeemed.

The Bonds will be registered and delivered only 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 (as defined herein under "BOOK-ENTRY ONLY SYSTEM") of the Bonds will not receive physical certificates representing the Bonds, but will receive a credit balance on the books of the DTC Participants. 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. 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 Assured Guaranty Municipal Corp. ("AGM" or the "Insurer").

ASSURED GUARANTY MUNICIPAL

See Maturity and Pricing Schedule on the inside cover

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

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

The Bonds are offered, when, as and if issued by the District, subject among other things to the approval of the Attorney General of Texas and of Schwartz, Page & Harding, L.L.P., Houston, Texas, Bond Counsel and McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Special Tax Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, McCall, Parkhurst & Horton L.L.P., Houston, Texas. Delivery of the Bonds in book-entry form through DTC is expected on or about June 4, 2021, at The Bank of New York Mellon Trust Company, N.A., Dallas Texas.

SAMCO CAPITAL MARKETS **RBC CAPITAL MARKETS**

MATURITY SCHEDULE

CUSIP Prefix (a): 34681W

SERIES 2021A BONDS

$6,075,000 Serial Bonds

Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (b)	CUSIP Suffix (a)
2021	$ 70,000	3.00%	0.19%	XC3
2022	480,000	3.00	0.20	XD1
2023	485,000	3.00	0.28	XE9
2024	445,000	3.00	0.40	XF6
2025	460,000	3.00	0.60	XG4
2026	465,000	3.00	0.77	XH2
2027 (c)	480,000	1.00	1.07	XJ8
2028 (c)	30,000	1.00	1.36	XK5
2029 (c)	30,000	1.25	1.54	XL3
2030 (c)	30,000	2.00	1.54	XM1
****	****			
2038 (c)	450,000	2.00	2.03	XV1
2039 (c)	440,000	2.00	2.07	XW9
2040 (c)	2,210,000	2.00	2.11	XX7

$220,000 Term Bonds, Due September 1, 2037(c)(d), CUSIP Suffix XU3 (a), Interest Rate 2.00% (Yield 1.99%)(b)

SERIES 2021B PARK BONDS

$1,380,000 Serial Bonds

Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (b)	CUSIP Suffix (a)
2021	$ 20,000	3.00%	0.24%	XY5
2022	10,000	3.00	0.30	XZ2
2023	35,000	3.00	0.38	YA6
2024	35,000	3.00	0.50	YB4
2025	35,000	3.00	0.70	YC2
2026	35,000	3.00	0.87	YD0
2027 (c)	35,000	1.00	1.18	YE8
2028 (c)	35,000	1.00	1.36	YF5
2029 (c)	35,000	1.25	1.54	YG3
2030 (c)	35,000	2.00	1.54	YH1
****	****			
2039 (c)	515,000	2.00	2.07	YS7
2040 (c)	555,000	2.00	2.11	YT5

$235,000 Term Bonds, Due September 1, 2034(c)(d), CUSIP Suffix YM0 (a), Interest Rate 2.00% (Yield 1.77%)(b)
$680,000 Term Bonds, Due September 1, 2038(c)(d), CUSIP Suffix YR9 (a), Interest Rate 2.00% (Yield 2.03%)(b)

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

(b) Information with respect to the initial reoffering yields of the Bonds is the responsibility of the Underwriters. Initial reoffering yields represent the initial offering price to the public which has been established by the Underwriters for public offerings, and which subsequently may be changed. Accrued interest from June 1, 2021, is to be added to the price.

(c) Subject to optional redemption as described on the front cover.

(d) Subject to mandatory redemption by lot or other customary method of random selection on September 1 in the years and in the amounts set forth herein under the caption "THE BONDS – Redemption Provisions."

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USE OF INFORMATION IN OFFICIAL STATEMENT

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

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

All of the summaries of the statutes, orders, resolutions, contracts, audited financial statements, and engineering and other related reports set forth in the 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 Schwartz, Page & Harding, L.L.P., 1300 Post Oak Blvd., Suite 1400, Houston, Texas 77056 upon payment of duplication costs.

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 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 the Official Statement until delivery of the Bonds to the Underwriters (as defined herein), and thereafter only as described under "OFFICIAL STATEMENT - Updating of Official Statement."

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

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

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

Assured Guaranty Municipal Corp. (“AGM” or the “Insurer”) makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM 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 AGM supplied by AGM and presented under the heading “BOND INSURANCE” and “APPENDIX C - SPECIMEN OF MUNICIPAL BOND INSURANCE POLICY.”

SALE AND DISTRIBUTION OF THE BONDS

Underwriting

SAMCO Capital Markets, Inc. and RBC Capital Markets, LLC (“RBC”) (together referred to herein as the “Underwriters”) have agreed, pursuant to a Bond Purchase Agreement, to purchase the Bonds from the District for $8,657,117.45 (an amount equal to the principal amount of the Bonds, less an Underwriters’ discount of $64,335.00, plus a net original issue premium on the Bonds of 131,452.45), plus accrued interest on the Bonds to the date of delivery. The obligation of the Underwriters to purchase the Bonds is subject to the conditions contained in the Bond Purchase Agreement. The Underwriters may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into unit investment trusts) and others at prices lower than the public offering price stated on the cover page hereof. The initial offering price may be changed from time to time by the Underwriters.

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

Prices and Marketability

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

The District has no control over the 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.

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

Securities Laws

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

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

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

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and international public finance (including infrastructure) and structured finance markets and asset management services. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM 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 relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On October 29, 2020, KBRA announced it had affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

On July 16, 2020, S&P announced it had affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On August 13, 2019, Moody's announced it had affirmed AGM's insurance financial strength rating of "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

Capitalization of AGM

At December 31, 2020:

- The policyholders' surplus of AGM was approximately $2,864 million.

- The contingency reserves of AGM and its indirect subsidiary Municipal Assurance Corp. ("MAC") (as described below) were approximately $940 million. Such amount includes 100% of AGM's contingency reserve and 60.7% of MAC's contingency reserve.

- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately $2,112 million. Such amount includes (i) 100% of the net unearned premium reserve and deferred ceding commission income of AGM, (ii) the net unearned premium reserves and net deferred ceding commissions of AGM's wholly owned subsidiaries Assured Guaranty UK Limited ("AGUK") and Assured Guaranty (Europe) SA ("AGE"), and (iii) 60.7% of the net unearned premium reserve of MAC.

The policyholders' surplus of AGM and the contingency reserves, net unearned premium reserves and deferred ceding commission income of AGM and MAC were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Merger of MAC into AGM

On April 1, 2021, MAC was merged into AGM, with AGM as the surviving company. Prior to that merger transaction, MAC was an indirect subsidiary of AGM (which indirectly owned 60.7% of MAC) and AGM's affiliate, Assured Guaranty Corp., a Maryland-domiciled insurance company ("AGC") (which indirectly owned 39.3% of MAC). In connection with the merger transaction, AGM and AGC each reassumed the remaining outstanding par they ceded to MAC in 2013, and AGC sold its indirect share of MAC to AGM. All of MAC's direct insured par exposures have become insured obligations of AGM.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof: the Annual Report on Form 10-K for the fiscal year ended December 31, 2020 (filed by AGL with the SEC on February 26, 2021).

All information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before he termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "BOND INSURANCE - Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AGM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM 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 AGM supplied by AGM and presented under the heading "BOND INSURANCE".

BOND INSURANCE RISK FACTORS

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

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

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

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

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

RATINGS

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

The Bonds have received an insured rating of "AA" (stable outlook) from S&P and "A2" (stable outlook) from Moody's Investors Service, Inc. ("Moody's") based upon the issuance of the Policy by the Insurer at the time of delivery of the Bonds. The underlying credit rating of the Bonds assigned by Moody's is "A2."

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

The District is not aware of any ratings assigned the Bonds other than the ratings of S&P and Moody's. See "BOND INSURANCE" and "BOND INSURANCE RISK FACTORS."

OFFICIAL STATEMENT SUMMARY

The following material is a summary of certain information contained herein and is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement.

THE BONDS

The Issuer .... Fort Bend County Municipal Utility District No. 142 (the "District"), a political subdivision of the State of Texas, is located in Fort Bend County, Texas. See "THE DISTRICT."

The Issue.. Fort Bend County Municipal Utility District No. 142 Unlimited Tax Refunding Bonds, Series 2021A, in the aggregate principal amount of $6,295,000 (the "Series 2021A Bonds") and Unlimited Tax Park Refunding Bonds, Series 2021B, in the aggregate principal amount of $2,295,000 (the "Series 2021B Bonds") are dated June 1, 2021. The Series 2021A Bonds and Series 2021B Bonds are collectively referred to herein as the "Bonds." An aggregate of $6,075,000 of the Series 2021A Bonds are issued as serial bonds maturing on September 1 in each of the years 2021 through 2030, inclusive, and 2038 through 2040, inclusive, in the principal amounts set forth on the inside cover page of this Official Statement. $220,000 of the Series 2021A Bonds are issued as term bonds maturing on September 1, 2037 (collectively, the "2021A Term Bonds"). An aggregate of $1,380,000 of the Series 2021B Bonds are issued as serial bonds maturing on September 1 in each of the years 2021 through 2030, inclusive, 2039 and 2040, in the principal amounts set forth on the inside cover page of this Official Statement. An aggregate of $915,000 of the Series 2021B Bonds are issued as term bonds maturing on September 1 in each of the years 2034 and 2038 (collectively, the "2021B Term Bonds"), in the principal amounts set forth on the inside cover page of this Official Statement. The Series 2021A Term Bonds and the Series 2021B Term Bonds are collectively referred to herein as the "Term Bonds." Interest on the Bonds accrues from June 1, 2021, and is payable on September 1, 2021 (three-month interest payment), and on each March 1 and September 1 thereafter until maturity or prior redemption. The Bonds, including the Term Bonds, scheduled to mature on and after September 1, 2027, are subject to redemption, in whole or in part, prior to their scheduled maturities, on September 1, 2026, or on any date thereafter at the option of the District. Upon redemption, the Bonds will be payable at a price equal to the principal amount of the Bonds, or portions thereof, so called for redemption, plus accrued interest to the date of redemption. In addition to being subject to optional redemption, the Term Bonds are also subject to mandatory sinking fund redemption on September 1 in the year and in the amounts as more completely described in this Official Statement. The Bonds will be issued pursuant to separate Bond Orders (the "Bond Orders") for each such series of the Bonds adopted by the Board of Directors of the District. The Bonds are being issued under the authority of Chapters 49 and 54 of the Texas Water Code, as amended, and Chapter 1207 of the Texas Government Code, as amended. See "THE BONDS."

Book-Entry-Only System..............................	The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of DTC (defined herein), pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of $5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the Beneficial Owners thereof. Principal of and interest on the Bonds will be payable by the Paying Agent/Registrar (hereinafter defined) to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds (see "BOOK-ENTRY-ONLY SYSTEM").
Source of Payment..	Principal of and interest on the Bonds are payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property located within the District. See "THE BONDS – Source and Security for Payment," "TAX DATA - Tax Rate Calculations," and "INVESTMENT CONSIDERATIONS - Maximum Impact on District Tax Rates." The Bonds are obligations of the District, and are not obligations of the State of Texas, Fort Bend County, Texas, the City of Houston, Texas, or any entity other than the District.
Other Characteristics	The Bonds are issued in fully registered form, without coupons, in the denomination of $5,000 each, or any integral multiple thereof.
Use of Bond Proceeds	Proceeds of the sale of the Series 2021A Bonds, together with other lawfully available funds of the District, will be applied to refund $3,510,000 in principal amount of the District's Unlimited Tax Bonds, Series 2014A (the "Series 2014A Bonds") and $2,560,000 in principal amount of the District's Unlimited Tax Refunding Bonds, Series 2014 (the "Series 2014 Refunding Bonds"). Proceeds of the sale of the Series 2021B Bonds, together with other lawfully available funds of the District, will be applied to refund $2,165,000 in principal amount of the District's Unlimited Tax Park Bonds, Series 2014B (the "Series 2014B Bonds"). The Series 2014A Bonds, Series 2014 Refunding Bonds and Series 2014B Bonds that are being refunded by the Bonds are hereinafter referred to collectively as the "Refunded Bonds." The proceeds of the sale of the Bonds will also be used to pay the costs of issuance of the Bonds. The Refunded Bonds will be redeemed on their redemption date, at a price equal to the principal amount thereof plus accrued interest from funds to be deposited with The Bank of New York Mellon Trust Company, N.A., in Dallas, Texas (the "Escrow Agent"). The sale of the Bonds and the refunding of the Refunded Bonds will (i) reduce the District's debt service payments, and (ii) provide present value savings in the District's debt service.

Payment Record.. In addition to the Series 2014A Bonds and Series 2014B Bonds, the District has previously issued its Unlimited Tax Bonds, Series 2006 (the "Series 2006 Bonds"), Unlimited Tax Bonds, Series 2007 (the "Series 2007 Bonds"), Unlimited Tax Bonds, Series 2008 (the "Series 2008 Bonds"), Unlimited Tax Bonds, Series 2009 (the "Series 2009 Bonds"), Unlimited Tax Bonds, Series 2010 (the "Series 2010 Bonds"), Unlimited Tax Bonds, Series 2011 (the "Series 2011 Bonds"), Unlimited Tax Bonds, Series 2011A (the "Series 2011A Bonds"), Unlimited Tax Bonds, Series 2012 (the "Series 2012 Bonds"), Unlimited Tax Bonds, Series 2013 (the "Series 2013 Bonds"), Unlimited Tax Bonds, Series 2016 (the "Series 2016 Bonds"), Unlimited Tax Bonds, Series 2017A (the "Series 2017A Bonds"), Unlimited Tax Bonds, Series 2018 (the "Series 2018 Bonds"), Unlimited Tax Bonds, Series 2019 (the "Series 2019 Bonds"), Unlimited Tax Bonds, Series 2020A (the "Series 2020A Bonds"), and Unlimited Tax Bonds, Series 2020B (the "Series 2020B Bonds") to finance components of its water supply and distribution, wastewater collection and treatment and storm drainage/detention facilities (collectively, the "System") and recreational facilities. In addition to the Series 2014 Refunding Bonds, the District has issued its Unlimited Tax Refunding Bonds, Series 2013 (the "Series 2013 Refunding Bonds"), Unlimited Tax Refunding Bonds, Series 2015 (the "Series 2015 Refunding Bonds"), Unlimited Tax Refunding Bonds, Series 2017 (the "Series 2017 Refunding Bonds"), Unlimited Tax Refunding Bonds, Series 2018A (the "Series 2018A Refunding Bonds"), Unlimited Refunding Bonds, Series 2019 (the "Series 2019 Refunding Bonds"), and Unlimited Tax Refunding Bonds, Series 2020 (the "Series 2020 Refunding Bonds") to refund outstanding bonds of the District. Collective reference is made in this Official Statement to all of the District's prior issued bonded indebtedness as the "Prior Bonds." The District has timely paid all principal of and interest on the Prior Bonds when due. Prior to the issuance of the Bonds, the principal amount of the Prior Bonds that has not been previously retired by the District is $110,370,000 (the "Outstanding Bonds"). After the refunding of the Refunded Bonds, the principal amount of the Outstanding Bonds remaining (the "Remaining Outstanding Bonds") will be $102,135,000, and the total of the District's direct bonded indebtedness, including the Bonds, will be $110,725,000. See "THE BONDS - Issuance of Additional Debt" and "INVESTMENT CONSIDERATIONS - Future Debt."

Qualified Tax-Exempt Obligations .... The District has designated the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended. See "TAX MATTERS - Qualified Tax-Exempt Obligations for Financial Institutions."

Authorized But Unissued Bonds....................	\$75,475,000 bonds for waterworks, wastewater and drainage facilities, \$7,000,000 in bonds for recreational facilities, and \$115,040,000 for refunding purposes will remain authorized but unissued after issuance of the Bonds. See "THE BONDS - Authority for Issuance" and - "Issuance of Additional Debt," "THE SYSTEM" and "INVESTMENT CONSIDERATIONS - Future Debt."
Municipal Bond Insurance	Assured Guaranty Municipal Corp. ("AGM"). See "BOND INSURANCE" and "BOND INSURANCE RISK FACTORS."
Municipal Bond Rating	S&P Global Ratings (AGM Insured) "AA" (stable outlook). Moody's Investors Service (AGM Insured) "A2" (stable outlook. Moody's Investors Service. (Underlying). "A2." See "BOND INSURANCE" and "RATINGS."
Legal and Tax Opinions................................	Schwartz, Page & Harding, L.L.P., Houston, Texas, Bond Counsel, and McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Special Tax Counsel. See "THE DISTRICT - Management of the District," "LEGAL MATTERS" and "TAX MATTERS."
Verification Agent	Robert Thomas CPA, LLC. See "VERIFICATION OF ACCURACY OF MATHEMATICAL COMPUTATIONS."

THE DISTRICT

Description	The District is a political subdivision of the State of Texas, created by Order of the Texas Commission on Environmental Quality (the "TCEQ") on July 25, 2003. The District contains 1,245.03 acres of land. The District is located entirely within Fort Bend County, Texas, and entirely within the extraterritorial jurisdiction of the City of Houston, Texas (the "City"). The District is located partially within the Katy Independent School District (approximately 287 acres) and partially within the Lamar Consolidated Independent School District (approximately 958 acres). The District is located approximately 28 miles west of the central business district of the City. The District lies on both the north and south sides of F.M. 1093, approximately 3.5 miles west of the intersection of F.M. 1093 and the Grand Parkway. The intersection of F.M. 1093 and F.M. 723 forms the northeast corner of one portion of the District. See "THE DISTRICT - General" and - "Description," and "APPENDIX A - LOCATION MAP."
Authority	The rights, powers, privileges, authority and functions of the District are established by Article XVI, Section 59 of the Constitution of the State of Texas and the general laws of the State of Texas pertaining to municipal utility districts, particularly Chapters 49 and 54 of the Texas Water Code, as amended. See "THE DISTRICT - General."

Development of the District ....

As of March 15, 2021, the District contained 3,825 homes, including 33 homes under construction. See "BUILDERS." According to the District's Engineer, the development of 3,869 single-family residential lots located within the District (an aggregate of approximately 1,026.88 acres) is complete with the provision of components of the System and street paving. Approximately 44.16 total acres located within the District have been developed with the provision of trunk components of the System and street paving to the perimeter of such acres on which eight strip retail shopping centers, two office buildings, three stand-alone businesses, a Montessori school, a gasoline service station/convenience store and an HEB grocery store aggregating approximately 440,970 square feet of building area have been constructed. A splash pad facility, consisting of a zero-entry swimming pool, fountains and a community building, has been constructed on an approximately 5.24 acre site located within the District; a recreational facility, consisting of a junior Olympic swimming pool, bath houses and a children's playground, has been constructed on an approximately 4.44 acre site located within the District; and another recreational facility consisting of a junior Olympic swimming pool and a clubhouse has been constructed on an approximately 1.84 acre site located within the District. In addition, approximately 13.51 total acres located within the District which have been developed for recreation facilities contain a recreational center on approximately 2.21 of such acres and a lake on approximately 9.02 of such acres.

Lamar Consolidated Independent School District ("LCISD") has constructed an elementary school on approximately 35.87 acres of land located within the District and approximately 20.97 acres of land located within the District are being used by the Lamar Consolidated Independent School District for agricultural purposes which land and facilities that are owned by LCISD are not subject to taxation by the District. A Seventh Day Adventist Church has been constructed on approximately 6.01 acres located within the District which is not subject to taxation by the District.

In addition to the aforementioned development, approximately 19.23 acres of land located in the District are available for future development that are owned by multiple parties. It is anticipated that such currently undeveloped acres are expected to be utilized for commercial and/or multi-family residential development or other uses. However, because there is no legal commitment to the District on the part of any of the owners of the currently undeveloped land located within the District to develop such land according to any specific plan, timetable, or at all, the District cannot predict when, or whether, any of such currently undeveloped acres located within the District might be developed. The balance of the land located within the District is contained within various easements or rights-of-way, or is otherwise not available for future development. See "DEVELOPERS AND OTHER PRINCIPAL LANDOWNERS," "FUTURE

DEVELOPMENT," "TAX DATA - Principal 2020 Taxpayers," and "INVESTMENT CONSIDERATIONS - Factors Affecting Taxable Values and Tax Payments."

The District financed portions of the cost of acquiring or constructing components of the System and certain recreational facilities that are described in this Official Statement under the caption "THE SYSTEM," and other facilities, with portions of the proceeds of the sale of the Prior Bonds. The District anticipates financing its cost of acquiring or constructing additional components of its System with the proceeds of the sale of bonds, if any, to be issued by the District in the future, including its approximately $3,230,000 Unlimited Tax Bonds, Series 2021C, that it expects to issue in approximately the fourth quarter of 2021. See "THE BONDS - Issuance of Additional Debt" and "INVESTMENT CONSIDERATIONS - Future Debt."

Developers and Other Principal Landowners

The current developers of land located within the District are Ashton Houston Residential, LLC, a Texas limited liability company ("Ashton"), and Lennar Homes of Texas Land and Construction, Ltd. ("Lennar Homes"), a Texas limited partnership, doing business as Friendswood Development Company ("FDC"), whose general partner is U.S. Home Corporation, a Delaware corporation. Collective reference is made in this Official Statement to Ashton and FDC as the "Developers."

Ashton and FDC have completed the development of Creekside Ranch, Sections 2 through 13 (approximately 208.09 total acres, 787 total lots). Ashton and FDC have also completed the development of approximately 13.51 total acres located within the District for recreation facilities on which a recreational center has been constructed on approximately 2.21 of such acres and a lake has been constructed on approximately 9.02 of such acres. Ashton and FDC own no additional land located within the District.

There are approximately 19.23 additional acres of currently undeveloped land located within the District that are available for future development that are owned by multiple other parties. Although it is anticipated that such approximately 19.23 acres will be utilized for future commercial and/or multi-family residential development or other uses, none of the owners of any of such acres has reported any definitive development plan covering any of such acres to the District. There is no obligation of any landowner to undertake the development of any land located within the District, and any of such landowners may sell any of the land that it owns at any time at its sole discretion. Therefore, the District cannot represent when, or whether, any of such currently undeveloped acres located within the District might be initiated or completed. See "INVESTMENT CONSIDERATIONS - Factors Affecting Taxable Values and Tax Payments - Developer/Builder/Landowner Obligation to the District."

Builders	The current builders of homes located within the District are Ashton and Lennar Homes. Collective reference is sometimes made in this Official Statement to the aforementioned home building companies as the "Builders." The Builders are currently constructing homes in the District which range from approximately 1,545 to 2,522 square feet in size of living area and in sales price from approximately \$274,000 to \$325,000. The Builders may change the size(s) and the type(s) of homes which they elect to build, and the sales prices thereof, at their sole discretion. There can be no assurance that any of the Builders will continue to construct homes within the District.
Infectious Disease Outbreak (COVID-19) ...	The World Health Organization has declared a pandemic following the outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus (the "Pandemic"), which is currently affecting many parts of the world, including the United States and Texas. As described herein under "INVESTMENT CONSIDERATIONS - Infectious Disease Outbreak (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. 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 conditions 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 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 the Pandemic 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 partially 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.

INVESTMENT CONSIDERATIONS

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

SELECTED FINANCIAL INFORMATION
(UNAUDITED)

2020 Assessed Valuation (As of January 1, 2020) See “TAX DATA” and “TAXING PROCEDURES”	$	969,098,344	(a)
Direct Debt:			
Remaining Outstanding Bonds	$	102,135,000	
The Bonds		8,590,000	
Total	$	110,725,000	(b)
Estimated Overlapping Debt	$	59,367,784	
Total Direct and Estimated Overlapping Debt	$	170,092,784	
Direct Debt Ratio : as a percentage of 2020 Assessed Valuation		11.43	%
Direct and Overlapping Debt Ratio : as a percentage of 2020 Assessed Valuation		17.55	%
Bond Fund Balance Estimated as of the Date of Delivery of the Bonds	$	8,842,748	(c)
General Fund Balance as of March 11, 2021	$	6,303,551	
2020 Tax Rate per $100 of Assessed Valuation			
Debt Service Tax	$	0.60	
Maintenance Tax		0.15	
Total	$	0.75	(d)
Average Percentage of Total Tax Collections (2010-2019) as of February 28, 2021		99.88	%
Percentage of Tax Collections of 2020 Levy as of February 28, 2021 (In process of collection)		96.31	%
Average Annual Debt Service Requirements on the Bonds and the Remaining Outstanding Bonds (2021-2050)	$	5,666,101	
Maximum Annual Debt Service Requirements on the Bonds and the Remaining Outstanding Bonds (2050)	$	6,031,831	
Tax Rate per $100 of Assessed Valuation Required to Pay Average Annual Debt Service Requirements on the Bonds and the Remaining Outstanding Bonds (2021-2050) at 95% Tax Collections			
Based Upon 2020 Assessed Valuation	$	0.62	

Tax Rate per $100 of Assessed Valuation Required to Pay Maximum Annual Debt Service Requirements on the Bonds and the Remaining Outstanding Bonds (2050) at 95% Tax Collections		
Based Upon 2020 Assessed Valuation	$	0.66
Number of Single Family Homes (including 33 homes under construction)		3,825

(a) As of January 1, 2020, and comprises the District's 2020 tax roll. All property located in the District is valued on the tax rolls by the Fort Bend Central Appraisal District (the "Appraisal District") at 100% of assessed value as of January 1 of each year. The District's tax roll is certified by the Fort Bend County Appraisal Review Board (the "Appraisal Review Board"). See "TAXING PROCEDURES" and "INVESTMENT CONSIDERATIONS - Factors Affecting Taxable Values and Tax Payments."

(b) See "DISTRICT DEBT." In addition to the components of the System that the District has financed with the proceeds of the Prior Bonds, the District expects to finance the acquisition or construction of additional components of the System with the proceeds of bonds, if any, to be issued by the District in the future, including its approximately $3,230,000 Unlimited Tax Bonds, Series 2021C that it expects to issue in approximately the fourth quarter of 2021. See "THE BONDS - Issuance of Additional Debt," "FUTURE DEVELOPMENT," "THE SYSTEM" and "INVESTMENT CONSIDERATIONS - Future Debt."

(c) Neither Texas law nor the Bond Orders require the District to maintain any particular sum in the Bond Fund. Such fund balance reflects the timely payment by the District of the debt service requirements on the Outstanding Bonds that were due on March 1, 2021, and the contribution of $8,000 to the refunding of the refunded Bonds. The District's remaining debt service payments for 2021, which are due on September 1, 2021, total $3,870,548, and consist of the payment of principal and interest on the Remaining Outstanding Bonds and the Bonds.

(d) The District levied a debt service tax in the amount of $0.60 per $100 of Assessed Valuation for 2020, plus a maintenance tax of $0.15 per $100 of Assessed Valuation. As is described in this Official Statement under the caption "TAX DATA - Estimated Overlapping Taxes," the aggregate of the 2020 tax levies of all units of government which levy taxes against the property located within the District, plus the 2020 tax of the District is $2.572307 per $100 of Assessed Valuation for the approximately 958 acres contained within the District that are located within the Lamar Consolidated School District, and $2.692007 per $100 of Assessed Valuation for the approximately 287 acres contained within the District that are located within the Katy Independent School District. Such aggregate levies are higher than the aggregate of the tax levies of some municipal utility districts located in the greater Houston metropolitan area, but are within the range of the aggregate tax levies of municipal utility districts in the Houston metropolitan area which are in stages of development comparable with the District. See "INVESTMENT CONSIDERATIONS - Factors Affecting Taxable Values and Tax Payments."

$6,295,000
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 142
UNLIMITED TAX REFUNDING BONDS
SERIES 2021A

and

$2,295,000
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 142
UNLIMITED TAX PARK REFUNDING BONDS
SERIES 2021B

INTRODUCTION

This Official Statement provides certain information with respect to the issuance by Fort Bend County Municipal Utility District No. 142 (the "District") of its $6,295,000 Unlimited Tax Refunding Bonds, Series 2021A (the "Series 2021A Bonds") and $2,295,000 Unlimited Tax Park Refunding Bonds, Series 2021B (the "Series 2021B Bonds" and together with the Series 2021A Bonds, collectively, the "Bonds").

There follow in this Official Statement descriptions of the Bonds, and certain information about the District and its finances. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from the District upon request and payment of the costs of duplication therefor.

THE BONDS

General

The following is a description of some of the terms and conditions of the Bonds, which description is qualified in its entirety by reference to the Orders adopted by the Board of Directors of the District (the "Board") authorizing the issuance of each series of the Bonds (collectively, the "Bond Orders"), copies of which are available from Bond Counsel upon payment of the costs of duplication therefor. The Bond Orders authorize the issuance and sale of the Bonds and prescribe the terms, conditions and provisions for the payment of the principal of and interest on the Bonds by the District.

Description

The Bonds will be dated June 1, 2021, with interest payable on September 1, 2021 (three-month interest payment), and on each March 1 and September 1 thereafter (each an "Interest Payment Date") until the earlier of maturity or redemption. Interest on the Bonds initially accrues from June 1, 2021, and thereafter, from the most recent Interest Payment Date. An aggregate of $6,075,000 of the Series 2021A Bonds are issued as serial bonds maturing on September 1 in each of the years 2021 through 2030, inclusive, and 2038 through 2040, inclusive, in the principal amounts set forth on the inside cover page of this Official Statement. $220,000 of the Series 2021A Bonds are issued as term bonds maturing on September 1, 2037 (collectively, the "2021A Term Bonds"). An aggregate of $1,380,000 of the Series 2021B Bonds are issued as serial bonds maturing on September 1 in each of the years 2021 through 2030, inclusive, 2039 and 2040, in the principal amounts set forth on the inside cover page of this Official Statement. An aggregate of $915,000 of the Series 2021B Bonds are issued as term bonds maturing on September 1 in each of the years 2034 and 2038 (collectively, the "2021B Term Bonds"), in the principal amounts set forth on the inside cover page of this Official Statement. The Series 2021A Term Bonds and the Series 2021B Term Bonds are collectively referred to herein as the "Term Bonds." The Bonds are issued in fully registered form only in denominations of $5,000 or any integral multiple of $5,000 for any one maturity. The Bonds will be registered and delivered only to The Depository Trust Company, New York, New York ("DTC"), in its nominee name of Cede & Co., pursuant to the book-entry system described herein ("Registered Owners"). No physical delivery of the Bonds will be made to the purchasers thereof. See "BOOK-ENTRY-ONLY SYSTEM." Interest calculations are based upon a three hundred sixty (360) day year comprised of twelve (12) thirty (30) day months.

Authority for Issuance

At elections held within the District on February 7, 2004, and May 15, 2004, voters of the District authorized a total of $118,440,000 in bonds for the purpose of refunding bonds of the District. The Bonds are issued by the District pursuant to said election held on February 7, 2004, and to the terms and provisions of the Bond Orders; Article XVI, Section 59 of the Texas Constitution; Chapter 1207, Texas Government Code, as amended; City of Houston Ordinance No. 97-416; and Chapters 49 and 54 of the Texas Water Code, as amended.

Source and Security for Payment

The Bonds, together with the Remaining Outstanding Bonds (hereinafter defined) and any additional bonds payable from ad valorem taxes, are secured by and payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property located within the District (see "TAX PROCEDURES"). Investment in the Bonds involves certain elements of risk, and all prospective purchasers are urged to examine carefully this Official Statement with respect to the investment security of the Bonds. See "INVESTMENT CONSIDERATIONS." 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 political subdivision or entity other than the District.

Funds

The Bond Orders confirm the establishment of the District's Bond Fund (the "Bond Fund"), which was created and established pursuant to the order(s) of the Board authorizing the issuance of the District's previously issued bonds. Accrued interest on the Bonds will be deposited from the proceeds of the sale of the Bonds into the Bond Fund. The Bond Fund, which constitutes a trust fund for the benefit of the owners of the Bonds, the Remaining Outstanding Bonds and any additional tax bonds issued by the District, is to be kept separate from all other funds of the District, and is to be used for payment of debt service on the Bonds, the Remaining Outstanding Bonds and any of the District's duly authorized additional bonds payable in whole or part from taxes. Amounts on deposit in the Bond Fund may also be used to pay the fees and expenses of the Paying Agent/Registrar (hereinafter defined), to defray the expenses of assessing and collecting taxes levied for payment of interest on and principal of the Bonds, the Remaining Outstanding Bonds, and any additional bonds payable in whole or in part from taxes, and to pay any tax anticipation notes issued, together with interest thereon, as such tax anticipation notes become due.

Record Date

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

Redemption Provisions

Mandatory Redemption

The Series 2021A Term Bonds maturing on September 1, 2037, and the Series 2019B Term Bonds maturing on September 1, 2034 and 2038, shall be redeemed, at a price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption, on September 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):

SERIES 2021A BONDS

$220,000 Term Bonds Maturing on September 1, 2037

Mandatory Redemption Dates	Principal Amount
September 1, 2031	$30,000
September 1, 2032	30,000
September 1, 2033	30,000
September 1, 2034	30,000
September 1, 2035	30,000
September 1, 2036	30,000
September 1, 2037 (maturity)	40,000

SERIES 2021B BONDS

$235,000 Term Bonds Maturing on September 1, 2034

Mandatory Redemption Dates	Principal Amount
September 1, 2031	$60,000
September 1, 2032	60,000
September 1, 2033	60,000
September 1, 2034 (maturity)	55,000

$680,000 Term Bonds Maturing on September 1, 2038

Mandatory Redemption Dates	Principal Amount
September 1, 2035	$ 55,000
September 1, 2036	55,000
September 1, 2037	70,000
September 1, 2038 (maturity)	500,000

Notice of the mandatory redemption of Term Bonds will be provided at least thirty (30) calendar days prior to the date fixed for redemption, with the particular portions of the Term Bonds to be redeemed to be selected by lot or other customary method in accordance with the procedures of DTC so long as the Bonds are registered in accordance with the Book-Entry-Only System. See "BOOK-ENTRY-ONLY SYSTEM."

Optional Redemption

The District reserves the right, at its option, to redeem the Bonds (including any Term Bonds) maturing on or after September 1, 2027, prior to their scheduled maturities, in whole or from time to time in part, in integral multiples of $5,000, on September 1, 2026, or any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption. If fewer than all of the Bonds are to be redeemed, the particular maturity or maturities and the amounts thereof to be redeemed shall be determined by the District. If fewer than all of the Serial Bonds of the same maturity are to be redeemed, the particular Bonds shall be selected by DTC in accordance with its procedures, so long as the Bonds are registered in accordance with the Book-Entry-Only System. See "BOOK-ENTRY-ONLY SYSTEM." If less than all of the entire outstanding principal amount of a Term Bond is to be redeemed, the District will notify the Paying Agent/Registrar of the reductions in the remaining mandatory redemption amounts to result from the optional redemption. Notice of each exercise of the reserved right of optional redemption shall be given at least thirty (30) calendar days prior to the date fixed for redemption, in the manner specified in the Bond Orders.

Effects of Redemption

By the date fixed for redemption, due provision shall be made with the Paying Agent/Registrar for payment of the principal of the Bonds (including any Term 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.

Method of Payment of Principal and Interest

The Board has appointed The Bank of New York Mellon Trust Company, N.A., (the “Paying Agent,” “Registrar” or “Paying Agent/Registrar”) having its principal corporate trust office and its principal payment office in Dallas, Texas, as the initial Paying Agent/Registrar for the Bonds. The principal of and interest on the Bonds shall be paid to DTC, which will make distribution of the amounts so paid. See “BOOK-ENTRY-ONLY SYSTEM.”

Registration

Section 149(a) of the Internal Revenue Code of 1986, as amended, requires that all tax exempt obligations (with certain exceptions that do not include the Bonds) be in registered form in order for the interest payable on such obligations to be excludable from a Beneficial Owner's income for federal income tax purposes. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. pursuant to the Book-Entry-Only System described herein. One fully-registered bond will be issued for each maturity of the Bonds and will be deposited with DTC. See “BOOK-ENTRY-ONLY SYSTEM.” So long as any Bonds remain outstanding, the District will maintain at least one paying agent/registrar in the State of Texas for the purpose of maintaining the Register on behalf of the District.

Replacement of Paying Agent/Registrar

Provision is made in the Bond Orders for replacement of the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the District, the new paying agent/registrar shall be required to accept the previous Paying Agent / Registrar's records and act in the same capacity as the previous Paying Agent/Registrar. Any paying agent/registrar selected by the District shall be a duly qualified and competent trust or banking corporation or organization organized and doing business under the laws of the United States of America or of any State thereof, with a combined capital and surplus of at least $25,000,000, which is subject to supervision of or examination by federal or state banking authorities, and which is a transfer agent duly registered with the United States Securities and Exchange Commission.

Legal Investment and Eligibility to Secure Public Funds in Texas

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

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

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

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

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

Issuance of Additional Debt

The District's voters have authorized the issuance of a total of $192,840,000 unlimited tax bonds for the purpose of acquiring or constructing water, sanitary sewer and drainage facilities, and could authorize additional amounts. The District currently has $75,475,000 of unlimited tax bonds authorized but unissued for said improvements and facilities. The District's voters have also authorized a total of $118,440,000 unlimited tax refunding bonds for the purpose of refunding outstanding bonds of the District and could authorize additional amounts. Following the issuance of the Bonds, the District will have $115,040,000 of unlimited tax refunding bonds authorized but unissued. The District's voters have also authorized issuance of a total of $12,100,000 unlimited tax bonds for the purpose of acquiring or constructing recreational facilities and could authorize additional amounts. The District has $7,000,000 unlimited tax bonds authorized but unissued for recreational facilities. See "Financing Recreational Facilities" below.

The Bond Orders impose no limitation on the amount of additional parity bonds which may be authorized for issuance by the District's voters or the amount ultimately issued by the District. See "INVESTMENT CONSIDERATIONS-Future Debt."

The District's consulting engineer, Jones & Carter, Inc. (the "Engineer") currently estimates that the aforementioned $75,475,000 authorized unlimited tax bonds which remain unissued will be adequate to finance the construction of all water, sanitary sewer, and drainage facilities that will be necessary to provide service to all of the currently undeveloped portions of the District. In addition to the components of the System that the District has financed with the proceeds of the Prior Bonds, the District expects to finance the acquisition or construction of additional components of the System with the proceeds of bonds, if any, to be issued by the District in the future, including its approximately $3,230,000 Unlimited Tax Bonds, Series 2021C which it expects to issue in approximately the fourth quarter of 2021. See "DISTRICT DEBT - Debt Service Requirement Schedule," "FUTURE DEVELOPMENT," "THE SYSTEM," and "INVESTMENT CONSIDERATIONS - Future Debt."

The District also is authorized by statute to engage in fire-fighting activities, including the issuing of bonds payable from taxes for such purpose. Before the District could issue fire-fighting bonds payable from taxes, the following actions would be required: (a) authorization of a detailed master plan and bonds for such purpose by the qualified voters in the District; (b) approval of the master plan and issuance of bonds by the TCEQ; and (c) approval of bonds by the Attorney General of Texas. The District does not provide fire protection service, and the Board has not considered calling such an election at this time. Issuance of bonds for fire-fighting activities could dilute the investment security for the Bonds.

Financing Road Facilities

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. Before the District could issue such bonds, the District would be required to receive a grant of such power from the TCEQ, authorization from the District's voters to issue such bonds, and approval of the bonds by the Attorney General of Texas. The District has not considered filing an application to the TCEQ for road powers or calling such an election at this time. Issuance of bonds for roads could dilute the investment security for the Bonds.

Financing Recreational Facilities

The District is authorized to develop and finance with property taxes certain recreational facilities after a District election has been successfully held to approve a maintenance tax and/or the issuance of bonds payable from taxes to support recreational facilities.

The District is authorized to levy an operation and maintenance tax to support recreational facilities at a rate not to exceed \$0.10 per \$100 of assessed valuation of taxable property in the District, after such tax is approved at an election. Said maintenance tax is in addition to any other maintenance tax authorized to be levied by the District. In addition, the District is authorized to issue bonds payable from an ad valorem tax to pay for the development and maintenance of recreational facilities if (i) the District duly adopts a plan for the facilities; (ii) the bonds are authorized at an election; (iii) the bonds payable from any source do not exceed 1% of the value of the taxable property in the District at the time of issuance of the bonds, or an amount greater than the estimated cost of the plan, whichever amount is smaller; (iv) the District obtains any necessary governmental consents allowing the issuance of such bonds; (v) the issuance of the bonds is approved by the TCEQ in accordance with its rules with respect to same; and (vi) the bonds are approved by the Attorney General of Texas. The District may issue bonds for such purposes payable solely from net operating revenues without an election.

At an election held within the District on May 15, 2004, voters of the District authorized a total of \$5,100,000 unlimited tax bonds for the purpose of acquiring or constructing recreational facilities and authorized up to a maximum \$0.10 maintenance tax per each \$100 of assessed valuation specifically to pay for maintenance of the recreational facilities. At an election held within the District on May 4, 2019, voters of the District authorized a total of \$7,000,000 for the purpose of acquiring or constructing recreational facilities. The District has issued a total aggregate principal amount of said bonds of \$5,100,000, therefore, the District has \$7,000,000 unlimited tax bonds authorized but unissued for recreational facilities and voters could authorize additional amounts.

Annexation

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City of Houston, the District may be annexed for full purposes by the City of Houston, subject to compliance by the City of Houston with various requirements of Chapter 43 of the Texas Local Government Code, as amended. Such requirements may include the requirement that the City of Houston hold an election in the District whereby the qualified voters of the District approve the proposed annexation. If the District is annexed, the City of Houston must assume the District's assets and obligations (including the Bonds and the Remaining Outstanding Bonds) and abolish the District within ninety (90) days of the date of annexation. 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 attempt to annex the District for full purposes 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. Under the terms of the SPA (as hereinafter defined) between the District and the City of Houston, however, the City has agreed not to annex the District for full purposes (a traditional municipal annexation) for at least thirty (30) years from the effective date of the SPA. See "THE DISTRICT - Strategic Partnership Agreement." The District could consent to a full purpose annexation prior to that time by agreeing to amend the SPA to such effect, however, the District currently has no intention to do so.

Consolidation

The District has the legal authority to consolidate with other districts and, in connection therewith, to provide for the consolidation of its water and wastewater systems with the water and wastewater systems of the district or districts with which it is consolidating, subject to voter approval. In their consolidation agreement, the consolidating districts may agree to assume each other's bonds, notes and other obligations. If each district assumes the other's bonds, notes and other obligations, taxes may be levied uniformly on all taxable property within the consolidated district in payment of same. If the districts do not assume each other's bonds, notes and other obligations, each district's taxes are levied on property in each of the original districts to pay said debts created by the respective original district as if no consolidation had taken place. No representation is made concerning whether the District will consolidate with any other district, but the District currently has no plans to do so.

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 in the Bond Orders, or defaults in the observance or performance of any other covenants, conditions, or obligations set forth in the Bond Orders, the Registered Owners have the right to seek 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 Orders. Except for mandamus, the Bond Orders do 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. Certain traditional legal remedies may also not be available. See "INVESTMENT CONSIDERATIONS - Registered Owners' Remedies and Bankruptcy."

Defeasance

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

Upon such deposit as described above, such Bonds shall no longer be regarded to be 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 a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds. Because the Bond Orders do not contractually limit such investments, Registered Owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as currently permitted under Texas law.

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

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

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

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

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

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

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

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

PLAN OF FINANCING

Use of Bond Proceeds

Proceeds of the sale of the Series 2021A Bonds, together with other lawfully available funds of the District, will be applied to refund $3,510,000 in principal amount of the District's Unlimited Tax Bonds, Series 2014A (the "Series 2014A Bonds") and $2,560,000 in principal amount of the District's Unlimited Tax Refunding Bonds, Series 2014 (the "Series 2014 Refunding Bonds"). Proceeds of the sale of the Series 2021B Bonds, together with other lawfully available funds of the District, will be applied to refund $2,165,000 in principal amount of the District's Unlimited Tax Park Bonds, Series 2014B (the "Series 2014B Bonds"). The Series 2014A Bonds, Series 2014 Refunding Bonds and Series 2014B Bonds that are being refunded by the Bonds are hereinafter referred to collectively as the "Refunded Bonds." The proceeds of the sale of the Bonds will also be used to pay the costs of issuance of the Bonds. The Refunded Bonds will be redeemed on their redemption date, at a price equal to the principal amount thereof plus accrued interest from funds to be deposited with The Bank of New York Mellon Trust Company, N.A., in Dallas, Texas (the "Escrow Agent"). The sale of the Bonds and the refunding of the Refunded Bonds will (i) reduce the District's debt service payments, and (ii) provide present value savings in the District's debt service.

The Refunded Bonds

The principal amounts and maturity dates (or mandatory redemption amounts and dates, as applicable) of the Series 2014A Bonds and Series 2014 Refunding Bonds to be refunded by the Series 2021A Bonds are set forth below.

Maturity Date	Series 2014A Bonds	Series 2014 Refunding Bonds
9/1/2022		$445,000
9/1/2023		455,000
9/1/2024	$25,000	390,000
9/1/2025	25,000	410,000
9/1/2026	25,000	420,000
9/1/2027	25,000	440,000
9/1/2028	25,000	
9/1/2029	25,000	
9/1/2030	25,000	
9/1/2031	25,000	
9/1/2032	25,000	
9/1/2033	25,000	
9/1/2034	25,000	
9/1/2035	25,000	
9/1/2036	25,000	
9/1/2037	35,000	
9/1/2038	450,000	
9/1/2039	450,000	
9/1/2040	2,250,000	
	$3,510,000	$2,560,000
Redemption Date:	9/1/2021	9/1/2021

The principal amounts and maturity dates (or mandatory redemption amounts and dates, as applicable) of the Series 2014B Park Bonds to be refunded by the Series 2021B Bonds are set forth below.

Maturity Date	Series 2014B Bonds
9/1/2023	$25,000
9/1/2024	25,000
9/1/2025	25,000
9/1/2026	25,000
9/1/2027	25,000
9/1/2028	25,000
9/1/2029	25,000
9/1/2030	25,000
9/1/2031	50,000
9/1/2032	50,000
9/1/2033	50,000
9/1/2034	50,000
9/1/2035	50,000
9/1/2036	50,000
9/1/2037	65,000
9/1/2038	500,000
9/1/2039	525,000
9/1/2040	575,000
	$2,165,000
Redemption Date:	9/1/2021

Aggregate Principal Amount of Refunded Bonds $8,235,000

Escrow Agreement

The Refunded Bonds, and the interest due thereon, are to be paid on their scheduled interest payment dates until final payment or their redemption date from funds to be deposited with The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, as escrow agent (the "Escrow Agent").

The Bond Orders provide that the District and the Escrow Agent will enter into escrow agreements (collectively, the "Escrow Agreements") to be dated as of the date of sale of the Bonds, but effective on the date of delivery of the Bonds (expected to be June 4, 2021). The Bond Orders further provide that from the proceeds of the sale of the Bonds, along with certain other legally available funds of the District, if any, the District will deposit with the Escrow Agent the amount necessary to accomplish the discharge and final payment of the Refunded Bonds. See "VERIFICATION OF ACCURACY OF MATHEMATICAL COMPUTATIONS." Such funds will be held by the Escrow Agent in segregated escrow accounts for each series of the Bonds (collectively, the "Escrow Funds") and a portion of such funds will be used to purchase United States Treasury Obligations (the "Escrowed Securities"), maturing at such times and amounts as will, together with cash on deposit in the Escrow Funds, be sufficient to pay scheduled payments on the Refunded Bonds to and including their redemption dates. Under the Escrow Agreements, the Escrow Funds are irrevocably pledged to the payment of principal of and interest on the Refunded Bonds and will not be available to pay principal of and interest on the Bonds or the Remaining Outstanding Bonds.

Defeasance of the Refunded Bonds

By the deposit of certain proceeds of the Bonds, the Escrowed Securities, and cash transferred by the District from other sources, if any, with the Escrow Agent pursuant to the Escrow Agreements, the District will have effected the defeasance of the Refunded Bonds pursuant to the terms of the orders authorizing the issuance of the Refunded Bonds. In the opinion of Bond Counsel, as a result of such deposit, firm banking and financial arrangements will have been made for the discharge and final payment of the Refunded Bonds pursuant to the Escrow Agreements, and such Refunded Bonds will be deemed under Texas law to be fully paid and no longer outstanding, except for the purpose of being paid from the funds provided therefor in the Escrow Funds.

The Remaining Outstanding Bonds

In addition to the Series 2014A Bonds and Series 2014B Bonds, the District has previously issued its Unlimited Tax Bonds, Series 2006 (the “Series 2006 Bonds”), Unlimited Tax Bonds, Series 2007 (the “Series 2007 Bonds”), Unlimited Tax Bonds, Series 2008 (the “Series 2008 Bonds”), Unlimited Tax Bonds, Series 2009 (the “Series 2009 Bonds”), Unlimited Tax Bonds, Series 2010 (the “Series 2010 Bonds”), Unlimited Tax Bonds, Series 2011 (the “Series 2011 Bonds”), Unlimited Tax Bonds, Series 2011A (the “Series 2011A Bonds”), Unlimited Tax Bonds, Series 2012 (the “Series 2012 Bonds”), Unlimited Tax Bonds, Series 2013 (the “Series 2013 Bonds”), Unlimited Tax Bonds, Series 2016 (the “Series 2016 Bonds”), Unlimited Tax Bonds, Series 2017A (the “Series 2017A Bonds”), Unlimited Tax Bonds, Series 2018 (the “Series 2018 Bonds”), Unlimited Tax Bonds, Series 2019 (the “Series 2019 Bonds”), Unlimited Tax Bonds, Series 2020A (the “Series 2020A Bonds”), and Unlimited Tax Bonds, Series 2020B (the “Series 2020B Bonds”) to finance components of its water supply and distribution, wastewater collection and treatment and storm drainage/detention facilities (collectively, the “System”) and recreational facilities. In addition to the Series 2014 Refunding Bonds, the District has issued its Unlimited Tax Refunding Bonds, Series 2013 (the “Series 2013 Refunding Bonds”), Unlimited Tax Refunding Bonds, Series 2015 (the “Series 2015 Refunding Bonds”), Unlimited Tax Refunding Bonds, Series 2017 (the “Series 2017 Refunding Bonds”), Unlimited Tax Refunding Bonds, Series 2018A (the “Series 2018A Refunding Bonds”), Unlimited Refunding Bonds, Series 2019 (the “Series 2019 Refunding Bonds”), and Unlimited Tax Refunding Bonds, Series 2020 (the “Series 2020 Refunding Bonds”) to refund outstanding bonds of the District. Collective reference is made in this Official Statement to all of the District’s prior issued bonded indebtedness as the “Prior Bonds.” The District has timely paid all principal of and interest on the Prior Bonds when due. Prior to the issuance of the Bonds, the principal amount of the Prior Bonds that has not been previously retired by the District is $110,370,000 (the “Outstanding Bonds”). After the refunding of the Refunded Bonds, the principal amount of the Outstanding Bonds remaining (the “Remaining Outstanding Bonds”) will be $102,135,000, and the total of the District’s direct bonded indebtedness, including the Bonds, will be $110,725,000. See “THE BONDS - Issuance of Additional Debt” and “INVESTMENT CONSIDERATIONS - Future Debt.”

The principal amounts and maturity dates (or mandatory redemption amounts and dates, as applicable) of the Remaining Outstanding Bonds are as follows:

Year of Maturity	Series 2013 Refunding Bonds	Series 2013 Bonds	Series 2014 Refunding Bonds	Series 2014B Bonds	Series 2015 Refunding Bonds	Series 2016 Bonds	Series 2017 Refunding Bonds	Series 2017A Bonds
2021	$505,000	$25,000	$430,000	$25,000	$480,000	$50,000	$315,000	$50,000
2022				25,000	500,000	50,000	330,000	50,000
2023					890,000	50,000	345,000	50,000
2024					1,005,000	50,000	370,000	50,000
2025					1,040,000	50,000	395,000	50,000
2026					1,075,000	50,000	415,000	50,000
2027					1,105,000	50,000	435,000	50,000
2028					1,610,000	50,000	455,000	50,000
2029					1,660,000	50,000	480,000	50,000
2030					1,710,000	75,000	505,000	75,000
2031					1,765,000	75,000	530,000	75,000
2032					1,825,000	75,000	555,000	75,000
2033					1,880,000	75,000	590,000	75,000
2034					2,270,000	75,000	615,000	75,000
2035					2,350,000	75,000	650,000	75,000
2036					2,425,000	75,000	685,000	75,000
2037						175,000		175,000
2038						175,000		175,000
2039						175,000		175,000
2040						175,000		175,000
2041						2,200,000		1,100,000
2042						2,350,000		1,100,000
2043								2,100,000
2044								2,225,000
2045								2,375,000
	$505,000	$25,000	$430,000	$50,000	$23,590,000	$6,225,000	$7,670,000	$10,575,000

Year of Maturity	Series 2018 Bonds	Series 2018A Refunding Bonds	Series 2019 Bonds	Series 2019 Refunding Bonds	Series 2020 Refunding Bonds	Series 2020A Bonds	Series 2020B Bonds
2021	$100,000	$35,000		$40,000	$30,000		
2022	100,000	60,000		40,000	605,000		
2023	100,000	60,000		65,000	265,000		
2024	100,000	60,000		65,000	275,000		
2025	100,000	60,000		60,000	290,000		
2026	100,000	85,000		60,000	300,000		
2027	100,000	85,000		60,000	300,000		
2028	100,000	85,000		60,000	315,000		
2029	100,000	85,000		60,000	320,000		
2030	100,000	80,000		60,000	325,000		
2031	100,000	80,000		80,000	335,000		
2032	100,000	105,000		80,000	340,000		
2033	100,000	105,000		80,000	345,000		
2034	100,000	105,000		80,000	50,000		
2035	100,000	105,000		75,000	45,000		
2036	150,000	100,000		75,000	45,000		
2037	150,000	1,250,000		990,000	45,000	$530,000	$135,000
2038	150,000				1,575,000	495,000	140,000
2039	150,000				1,630,000	525,000	145,000
2040	150,000					540,000	150,000
2041	150,000					565,000	160,000
2042	150,000					565,000	165,000
2043	750,000		$755,000			710,000	175,000
2044	750,000		770,000			720,000	180,000
2045	750,000		765,000			740,000	190,000
2046	3,500,000		535,000			760,000	200,000
2047						4,985,000	210,000
2048						5,195,000	220,000
2049						5,420,000	225,000
2050						5,650,000	235,000
	$8,300,000	$2,545,000	$2,825,000	$2,030,000	$7,435,000	$27,400,000	$2,530,000

Total Principal Amount of Non-Refunded Bonds (Remaining Outstanding Bonds) $102,135,000

Sources and Uses of Funds

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

SOURCES OF FUNDS:

Principal Amount of Bonds	$8,590,000.00
Plus: Accrued Interest	1,593.86
District Contribution	8,000.00
Net Original Issue Premium on the Bonds	131,452.45
Total Sources of Funds	$8,731,046.31

USES OF FUNDS:

Deposit with Escrow Agent	$8,396,214.02
Deposit Accrued Interest to Bond Fund	1,593.86
Expenses:	
Underwriter Discount	64,335.00
Municipal Bond Insurance Premium and Other Issuance Expenses	268,903.43
Total Uses of Funds	$8,731,046.31

THE DISTRICT

General

The District is a municipal utility district created by an order of the TCEQ, dated July 25, 2003, under Article XVI, Section 59 of the Texas Constitution, and operates under the provisions of Chapter 49 and Chapter 54 of the Texas Water Code, as amended, and other general statutes of Texas applicable to municipal utility districts. The District, which lies wholly within the extraterritorial jurisdiction of the City of Houston (except as described below under "Strategic Partnership Agreement"), is subject to the continuing supervisory jurisdiction of the TCEQ.

The District is empowered, among other things, to finance, purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the supply and distribution of water; the collection, transportation and treatment of wastewater; and the control and diversion of storm water. The District may issue bonds and other forms of indebtedness to purchase or construct such facilities. The District may also provide solid waste disposal and collection services. The District is also empowered to establish, operate and maintain fire-fighting facilities, separately or jointly with one or more conservation and reclamation districts, municipalities or other political subdivisions, after approval by the TCEQ and the voters of the District. Additionally, the District may, subject to certain limitations, develop and finance recreational facilities and may also, subject to the granting of road powers by the TCEQ and certain limitations, develop and finance roads. See "THE BONDS - Issuance of Additional Debt," "- Financing Road Facilities" and "- Financing Recreational Facilities."

The District is required to observe certain requirements of the City of Houston which limit the purposes for which the District may sell bonds to finance the acquisition, construction, and improvement of waterworks, wastewater, and drainage, recreational, road and firefighting facilities and the refunding of outstanding debt obligations; limit the net effective interest rate on such bonds and other terms of such bonds; require approval by the City of Houston of District construction plans; and permit connections only to lots and reserves described in a plat that has been approved by the City of Houston and filed in the real property records of Fort Bend County. The District is also required to obtain certain TCEQ approvals prior to acquiring, constructing and financing road and fire-fighting facilities, as well as voter approval of the issuance of bonds for said purposes and/or for the purposes of financing recreational facilities. Construction and operation of the District's drainage system is subject to the regulatory jurisdiction of additional State of Texas and local agencies. See "THE SYSTEM."

Description

The District contains 1,245.03 acres of land. The District is located entirely within Fort Bend County, Texas, and entirely within the extraterritorial jurisdiction of the City of Houston, Texas (the "City"). The District is located partially within the Katy Independent School District (approximately 287 acres) and partially within the Lamar Consolidated Independent School District (approximately 958 acres). The District is located approximately 28 miles west of the central business district of the City. The District lies on both the north and south sides of F.M. 1093, approximately 3.5 miles west of the intersection of F.M. 1093 and the Grand Parkway. The intersection of F.M. 1093 and F.M. 723 forms the northeast corner of one portion of the District. See "APPENDIX A - LOCATION MAP."

Strategic Partnership Agreement

The District and the City entered into a Strategic Partnership Agreement (the "Original SPA") dated effective December 13, 2010, pursuant to Chapter 43 of the Texas Local Government Code. The Original SPA was superseded by those certain First Amended and Restated Strategic Partnership Agreement dated effective December 10, 2015, and Second Amended and Restated Strategic Partnership Agreement dated December 19, 2016, between the District and the City (collectively, the "SPA"). The SPA provides for a "limited purpose annexation" for certain portions of the District which are or will be developed for retail and commercial purposes in order to apply certain City health, safety, planning and zoning ordinances within the District. Areas of residential development within the District are not subject to the limited purpose annexation. The SPA also provides that the City will not annex the District for "full purposes" for at least thirty (30) years from the effective date of the Original SPA. Also, as a condition to full purpose annexation, any unpaid reimbursement obligations due to a developer by the District for water, wastewater and drainage facilities and recreational facilities must be assumed by the City to the maximum extent permitted by TCEQ rules. The procedures for full purpose annexation under the SPA may differ from those otherwise applicable under Chapter 43, Texas Local Government Code, including any requirements for an election. See "THE BONDS - Annexation."

As of the effective date of the Original SPA and, with respect to additional tracts added subsequent to the Original SPA, the effective date of such amendment thereof, the City was authorized to impose the one percent (1%) City sales and use tax within the portion of the District included in the limited purpose annexation. Such portion includes certain commercial development within the District. The City pays to the District an amount equal to one half (½) of all sales and use tax revenue generated within such area of the District and received by the City from the Comptroller of Public Accounts of the State of Texas (the "Sales Tax Revenue"). Pursuant to State law, the District is authorized to use Sales Tax Revenue generated under the SPA for any lawful purpose. None of the anticipated Sales Tax Revenue is pledged toward the payment of principal and interest on the Bonds or the Remaining Outstanding Bonds.

Management of the District

The District is governed by the Board, consisting of five Directors. The Board has control over and management supervision of all affairs of the District. Directors serve four-year staggered terms, and elections are held within the District in May in even numbered years. The current members and officers of the Board, along with their respective terms of office, are listed below. All five of the Directors currently reside within the District.

Name	Position	Term Expires in May
Randal L. Carter	President	2022
John R. Morgan	Vice President	2024
Ross Madia	Secretary/Records Management Officer	2022
Philip Huseman	Assistant Secretary	2024
James Cokinos	Assistant Secretary	2022

The District does not have a general manager or any other employee, but has contracted for services, as follows.

Tax Assessor/Collector - The District has engaged Wheeler & Associates, Inc., Houston, Texas, as the District's Tax Assessor/Collector. According to Wheeler & Associates, Inc., it presently serves approximately 100 taxing units as tax assessor/collector. The Tax Assessor/Collector applies the District's tax rate to appraisal rolls prepared by the Appraisal District and bills and collects such tax.

Utility System Operator - Environmental Development Partners, LLC is employed by the District as the general operator of the District's System. According to Environmental Development Partners, LLC, it serves as operator of the systems of approximately 59 districts.

Consulting Engineers - The District has employed the firm of Jones & Carter, Inc. (the "Engineer"), Houston, Texas, as Consulting Engineer in connection with the overall planning activities and the design of the System.

Bookkeeper - The District has engaged Municipal Accounts & Consulting, L.P. as the District's Bookkeeper. According to Municipal Accounts & Consulting, L.P., it currently serves approximately 400 districts as bookkeeper.

Auditor - The financial statements of the District as of June 30, 2020, and for the year then ended, included in this offering document, have been audited by BKD, LLP, independent auditors, as stated in their report appearing herein. A copy of the District's financial statements for the fiscal year ended June 30, 2020, is included as "APPENDIX B - INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS" to this Official Statement.

Bond Counsel and General Counsel – Schwartz, Page & Harding, L.L.P. ("Bond Counsel") serves as bond counsel to the District. The fee to be paid Bond Counsel for services rendered in connection with the issuance of the Bonds is contingent upon the sale and delivery of the Bonds. In addition, Schwartz, Page & Harding, L.L.P. serves as general counsel to the District on matters other than the issuance of bonds.

Special Tax Counsel - McCall, Parkhurst & Horton L.L.P., Dallas, Texas, serves as Special Tax Counsel to the District. The fees to be paid Special Tax Counsel for services rendered in connection with the issuance of the Bonds are contingent on the issuance, sale and delivery of the Bonds.

Financial Advisor - The District has engaged Rathmann & Associates, L.P., as financial advisor (the "Financial Advisor") to the District. The fees paid the Financial Advisor for services rendered in connection with the issuance of the Bonds are based on a percentage of the Bonds actually issued and sold. Therefore, the payment of such fees is contingent upon the sale and delivery of the Bonds. Rathmann & Associates, L.P. is an independent municipal advisor registered with the United States Securities and Exchange Commission (the "SEC") and the Municipal Securities Rulemaking Board (the "MSRB"). Rathmann & Associates, L.P.'s SEC registration number is 867-00217 and its MSRB registration number is K0161. Rathmann & Associates, L.P.'s SEC registration Forms MA and MA-1's, which constitute Rathmann & Associates, L.P.'s registration filings, may be accessed through http://www.sec.gov/edgar/searchedgar/company search.html.

DEVELOPMENT AND HOME CONSTRUCTION

As of March 15, 2021, the District contained 3,825 homes, including 33 homes under construction. See "BUILDERS." According to the District's Engineer, the development of 3,869 single-family residential lots located within the District (an aggregate of approximately 1,026.88 acres) is complete with the provision of components of the System and street paving. Approximately 44.16 total acres located within the District have been developed with the provision of trunk components of the System and street paving to the perimeter of such acres on which eight strip retail shopping centers, two office buildings, three stand-alone businesses, a Montessori school, a gasoline service station/convenience store and an HEB grocery store aggregating approximately 440,970 square feet of building area have been constructed. A splash pad facility, consisting of a zero-entry swimming pool, fountains and a community building, has been constructed on an approximately 5.24 acre site located within the District; a recreational facility, consisting of a junior Olympic swimming pool, bath houses and a children's playground, has been constructed on an approximately 4.44 acre site located within the District; and another recreational facility consisting of a junior Olympic swimming pool and a clubhouse has been constructed on an approximately 1.84 acre site located within the District. In addition, approximately 13.51 total acres located within the District which have been developed for recreation facilities contain a recreational center on approximately 2.21 of such acres and a lake on approximately 9.02 of such acres.

Lamar Consolidated Independent School District ("LCISD") has constructed an elementary school on approximately 35.87 acres of land located within the District and approximately 20.97 acres of land located within the District are being used by the Lamar Consolidated Independent School District for agricultural purposes which land and facilities that are owned by LCISD are not subject to taxation by the District. A Seventh Day Adventist Church has been constructed on approximately 6.01 acres located within the District which is not subject to taxation by the District.

In addition to the aforementioned development, approximately 19.23 acres of land located in the District are available for future development that are owned by multiple parties. It is anticipated that such currently undeveloped acres are expected to be utilized for commercial and/or multi-family residential development or other uses. However, because there is no legal commitment to the District on the part of any of the owners of the currently undeveloped land located within the District to develop such land according to any specific plan, timetable, or at all, the District cannot predict when, or whether, any of such currently undeveloped acres located within the District might be developed. The balance of the land located within the District is contained within various easements or rights-of-way, or is otherwise not available for future development. See "DEVELOPERS AND OTHER PRINCIPAL LANDOWNERS," "FUTURE DEVELOPMENT," "TAX DATA - Principal 2020 Taxpayers" and "INVESTMENT CONSIDERATIONS - Factors Affecting Taxable Values and Tax Payments."

The District financed portions of the cost of acquiring or constructing components of the System and certain recreational facilities that are described in this Official Statement under the caption "THE SYSTEM," and other facilities, with portions of the proceeds of the sale of the Prior Bonds. The District anticipates financing its cost of acquiring or constructing additional components of its System with the proceeds of the sale of bonds, if any, to be issued by the District in the future, including its approximately $3,230,000 Unlimited Tax Bonds, Series 2021C that it expects to issue in approximately the fourth quarter of 2021. See "THE BONDS - Issuance of Additional Debt" and "INVESTMENT CONSIDERATIONS - Future Debt."

As of March 15, 2021, the status of lot development and home construction in the District was as follows:

	LOTS				HOMES					
					Under Construction			Completed		
Subdivision	Developed	Acres	Under Development	Acres	Sold*	Unsold	Sold*	Unsold	Models	Totals
Canyon Lakes at Westheimer Lakes										
Sections 1 & 2	283	78.25			0	0	283	0	0	283
Canyon Springs at Westheimer Lakes										
Sections 1 & 2	340	106.97			0	0	340	0	0	340
Canyon Gate at Westheimer Lakes										
Sections 1 & 2	349	119.99			0	0	349	0	0	349
Canyon Village at Westheimer Lakes										
Section 1	135	29.75			0	0	135	0	0	135
Section 2	111	40.86			0	0	111	0	0	111
Section 3	120	21.87			0	0	120	0	0	120
Section 4	36	6.9			0	0	36	0	0	36
Section 5	45	8.39			0	0	45	0	0	45
Section 6	37	6.85			0	0	37	0	0	37
The Villas at Westheimer Lakes										
Section 1	127	32.18			0	0	127	0	0	127
Westheimer Lakes North										
Section 1	181	35.75			0	0	181	0	0	181
Section 2	123	25.19			0	0	123	0	0	123
Section 3	45	7.26			0	0	45	0	0	45
Section 4	113	23.71			0	0	113	0	0	113
Section 5	143	37.26			0	0	143	0	0	143
Section 6	103	24.71			0	0	103	0	0	103
Section 7	143	29.74			0	0	143	0	0	143
Section 8	82	16.21			0	0	82	0	0	82
Section 9	124	25.81			0	0	124	0	0	124
Sections 10 & 11	43	12.9			0	0	43	0	0	43
Horse Shoe Ridge										
Section 1	125	39.7			0	0	125	0	0	125
Creekside Ranch										
Section 2	94	23.15			0	0	94	0	0	94
Section 3	55	14.95			0	0	55	0	0	55
Section 4	39	10.42			0	0	39	0	0	39
Section 5	46	13.95			0	0	46	0	0	46
Section 6	48	14.99			1	1	46	0	0	48
Section 7	83	17.64			2	0	79	1	1	83
Section 8	81	19.08			0	0	81	0	0	81
Section 9	71	22.32			3	5	63	0	0	71
Section 10	69	15.12			1	0	68	0	0	69
Section 11	67	18.95			0	0	67	0	0	67
Section 12	67	14.42			3	6	57	1	0	67
Section 13	67	23.1			2	9	6	6	0	23
Briscoe Falls										
Section 1	57	25.31			0	0	57	0	0	57
Section 2	51	13.64			0	0	51	0	0	51
Section 3	51	10.93			0	0	51	0	0	51
Section 4	61	24.42			0	0	61	0	0	61
Section 5	54	14.24			0	0	54	0	0	54
Totals	3,869	1,027	0	0	12	21	3,783	8	1	3,825

* Includes homes sold and contracted for sale. Homes under contract for sale are, in some instances, subject to conditions of appraisal, loan application, approval and inspection. See “BUILDERS.”

DEVELOPERS AND OTHER PRINCIPAL LANDOWNERS

The current developers of land located within the District are Ashton Houston Residential, LLC, a Texas limited liability company ("Ashton"), and Lennar Homes of Texas Land and Construction, Ltd. ("Lennar Homes"), a Texas limited partnership, doing business as Friendswood Development Company ("FDC"), whose general partner is U.S. Home Corporation, a Delaware corporation. Collective reference is made in this Official Statement to Ashton and FDC as the "Developers."

Ashton and FDC have completed the development of Creekside Ranch, Sections 2 through 13 (approximately 208.09 total acres, 767 total lots) and are currently constructing homes on such lots. Ashton and FDC have also completed the development of approximately 13.51 total acres located within the District for recreation facilities on which a recreational center has been constructed on approximately 2.21 of such acres and a lake has been constructed on approximately 9.02 of such acres. Ashton and FDC own no additional land located within the District.

There are approximately 19.23 additional acres of currently undeveloped land located within the District that are available for future development that are owned by multiple other parties. Although it is anticipated that such approximately 19.23 acres will be utilized for future commercial and/or multi-family residential development or other uses, none of the owners of any of such acres has reported any definitive development plan covering any of such acres to the District. There is no obligation of any landowner to undertake the development of any land located within the District, and any of such landowners may sell any of the land that it owns at any time at its sole discretion. Therefore, the District cannot represent when, or whether, any of such currently undeveloped acres located within the District might be initiated or completed. See "INVESTMENT CONSIDERATIONS - Factors Affecting Taxable Values and Tax Payments - Developer/Builder/Landowner Obligation to the District."

BUILDERS

The current builders of homes located within the District are Ashton and Lennar Homes. Collective reference is sometimes made in this Official Statement to the aforementioned home building companies as the "Builders."

The Builders are currently constructing homes in the District which range from approximately 1,545 to 2,522 square feet in size of living area and in sales price from approximately $274,000 to $325,000. The Builders may change the size(s) and the type(s) of homes which they elect to build, and the sales prices thereof, at their sole discretion. There can be no assurance that any of the Builders will continue to construct homes within the District.

FUTURE DEVELOPMENT

In addition to the aforementioned development, approximately 19.23 acres of land located in the District are available for future development. See "DEVELOPMENT AND HOME CONSTRUCTION" and "DEVELOPERS AND OTHER PRINCIPAL LANDOWNERS." It is anticipated that such acres will be developed in the future primarily for commercial and/or multi-family residential development or other usage. Since there is no legal commitment on the part of the owners of any of such currently undeveloped land to the District to develop such acres available for future development according to any specific plan, timetable, or at all, the District cannot predict when, or whether, any of such currently undeveloped acres located within the District might be developed. The balance of the land located within the District is contained within various easements or rights-of-way, or is otherwise not available for future development. If any undeveloped portion of the District is eventually developed, additions to the District's water, sanitary sewer and drainage systems required to service such undeveloped acreage may be financed by future issues of the District's bonds. The District's Engineer currently estimates that the aforementioned $75,475,000 authorized unlimited tax bonds which remain unissued will be adequate to finance the construction of all waterworks, wastewater, and drainage facilities that will be necessary to provide service to all of the currently undeveloped portions of the District. The District anticipates financing its cost of acquiring or constructing additional components of its System with the proceeds of the sale of bonds, if any, to be issued by the District in the future, including its approximately $3,230,000 Unlimited Tax Bonds, Series 2021C that it expects to issue in approximately the fourth quarter of 2021. See "THE BONDS - Issuance of Additional Debt," "THE SYSTEM," and "INVESTMENT CONSIDERATIONS - Future Debt."

THE SYSTEM

Regulation

According to the District's Engineer, the System has been designed in conformance with accepted engineering practices and the requirements of certain governmental agencies having regulatory or supervisory jurisdiction over the construction and operation of such facilities, including, among others, the TCEQ, the City of Houston, Fort Bend County, and the Fort Bend County Drainage District.

Operation of the System is subject to regulation by, among others, the United States Environmental Protection Agency and the TCEQ. The total number of equivalent single-family connections ("ESFCs") estimated at this time for the District upon the full development of its 1,245.03 acres is 4,593 with a total estimated population of 13,779 people. The following descriptions are based upon an estimate of 3 people/ESFC supplied by the District's Engineer.

Description

The System presently serves the total of 3,869 single-family residential lots that have been developed on the aggregate of approximately 1,026.88 acres located within the District, and the approximately 44.16 total acres that have been developed for commercial purposes that are described above under the caption "DEVELOPMENT AND HOME CONSTRUCTION." The District financed components of the System to serve the District with portions of the proceeds of the Prior Bonds. The District anticipates financing its cost of acquiring or constructing additional components of its System with the proceeds of the sale of bonds, if any, to be issued by the District in the future, including its approximately $3,230,000 Unlimited Tax Bonds, Series 2021C that it expects to issue in approximately the fourth quarter of 2021. See "THE BONDS - Issuance of Additional Debt" and "INVESTMENT CONSIDERATIONS - Future Debt."

Water Supply

Water supply for the District consists of groundwater supplied by the District's water plant and surface water received from the North Fort Bend Water Authority (the "Authority") that is delivered to Water Plant No. 1 and Water Plant No. 2. The District's water supply facilities currently consist of two wells that contain a total of 2,090 gallons-per minute ("gpm") of capacity, two 15,000 gallon pressure tanks and two 20,000 gallon pressure tanks, ground storage tank capacity totaling 1,830,000 gallons, and booster pumps totaling 6,800 gpm of capacity. The District financed Water Plant No. 1 – Phase I and Water Well No. 2 with portions of the proceeds of the sale of the Prior Bonds. The expansion of Water Plant No. 1, which included the construction of two ground storage tanks, two booster pumps, one hydrotank and all associated piping and site work, has been completed. The additional hydrotank has been funded by the District with existing surplus construction funds and the remaining portion of the project has been funded with the proceeds of the sale of the Prior Bonds. The District has constructed a second water plant ("Water Plant No. 2") that includes two ground storage tanks, two hydrotanks, and two booster pumps and which will not include a water well. The District financed Water Plant No. 2, Phase I and Water Plant No. 2, Phase II out of the proceeds of the Prior Bonds to help maintain the water system pressure throughout the District. The District entered into a contract with the Authority to provide the District with sufficient water supply to eliminate the need to drill a third water well at Water Plant No. 2. A water line has been constructed by the Authority (see "Subsidence and Conversion to Surface Water Supply" below) to provide additional water supply capacity for future development within the District. The District was required under the contract to participate in the costs of said water line, and said costs were included in the Prior Bonds. The Authority is delivering surface water to both plants. The District has sufficient water supply capacity to serve the ultimate development of the District.

The 500,000 gallon elevated storage tank that is to be located in the Creekside Ranch development south of Fulshear-Gaston Road has been constructed. The District funded the 500,000 gallon elevated storage tank with a portion of the proceeds of the Prior Bonds.

Subsidence and Conversion to Surface Water Supply

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

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

In 2005, the Texas legislature created the Authority to, among other things, reduce groundwater usage in, and to provide surface water to, the northern portion of Fort Bend County (including the District) and a small portion of Harris County. The District has chosen to participate in the Authority and thereby comply with the above Subsidence District regulations, collectively, with the other water users within the Authority. The Authority, among other powers, has the power to: (i) establish fees (including fees imposed on the District for groundwater pumped by the District and surface water received by the District), user fees, rates, charges and special assessments as necessary to accomplish its purposes; (ii) issue debt supported by the revenues pledged for the payment of its obligations; and (iii) mandate water users, including the District, to convert from groundwater to surface water. In March 2008, the Authority adopted a GRP in which the District is a participant. The Authority is delivering surface water to Water Plant No. 1 and Water Plant No. 2 and it is anticipated that the Authority will provide the District with enough water for the average daily demand. The District will utilize its existing water wells as necessary to meet peak demands that exceed the amount of water supplied by the Authority. The Authority currently charges the District, and other major groundwater users, a fee of $4.25 per 1,000 gallons of groundwater pumped and $4.60 per 1,000 gallons of surface water received. Said fees may be increased by the Authority at any time. The Authority currently has revenue bonds outstanding and anticipates issuing substantial amounts of additional revenue bonds in the future to finance the Authority's project costs.

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

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

Wastewater Treatment

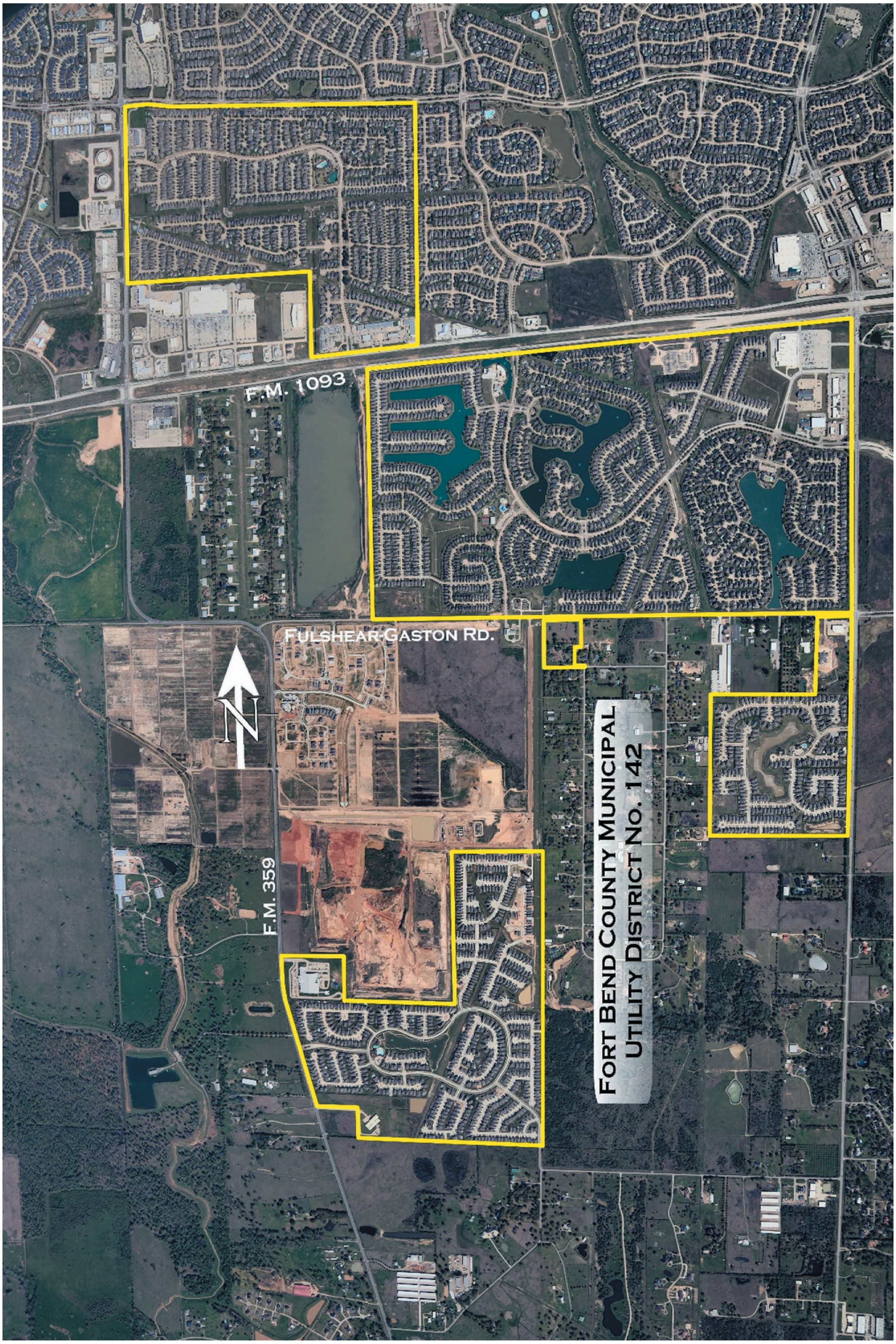
Wastewater treatment for the District is being provided by a 200,000 gallon per day ("gpd") and a 900,000 gpd interim leased package plants. Based on 250 gpd/ESFC, the interim wastewater treatment plants have capacity to serve 4,400 ESFCs, which is sufficient to serve the existing development in the District. The District funded the design and construction of a future permanent 1.20 MGD Wastewater Treatment Plant with a portion of the proceeds of the Prior Bonds. This future wastewater treatment plant will be located at the Wastewater Treatment Plant No. 2 site and replace the existing leased package plants. The 1.20 MGD permanent wastewater treatment plant is expected to be complete and operational in the third quarter of 2022.

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. 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 subsidies. 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. If substantial or frequent flooding of homes were to occur in the District, the maintenance of or the future growth of property values in the District could be adversely affected.

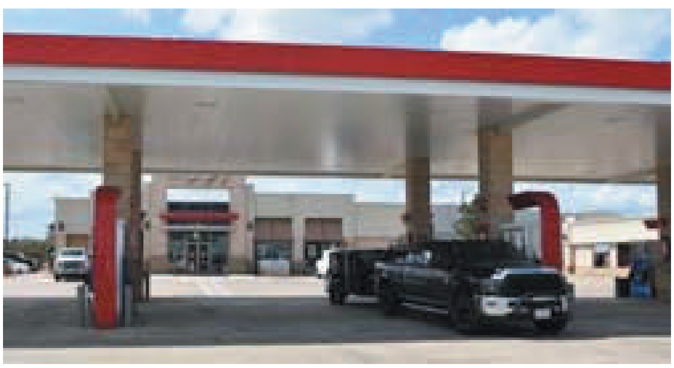
According to the District's Engineer, the Federal Emergency Management Flood Hazard Boundary Map currently in effect which covers the land located in the District indicates no area within the District as lying within the 100-year flood plain of any water course.

AERIAL PHOTOGRAPH OF THE DISTRICT
(taken April 2021)



PHOTOGRAPHS TAKEN WITHIN THE DISTRICT
(taken March 2021)

PHOTOGRAPHS TAKEN WITHIN THE DISTRICT
(taken March 2021)



DISTRICT DEBT

General

The following tables and calculations relate to the Bonds and the Remaining Outstanding Bonds. After issuance of the Bonds, the aggregate principal amount of the Outstanding Bonds, less the Refunded Bonds, will be $102,135,000 (the "Remaining Outstanding Bonds"), and the aggregate principal amount of the District's bonded indebtedness, including the Bonds, will be $110,725,000. The District is empowered to incur debt to be paid from revenues raised by taxation against all taxable property located within the District, and various other political subdivisions of government that overlap all or a portion of the District are empowered to incur debt to be paid from revenues raised or to be raised by taxation against all or a portion of the property within the District.

2020 Assessed Valuation (As of January 1, 2020) See "TAX DATA" and "TAXING PROCEDURES"	$	969,098,344	(a)
Direct Debt:			
Remaining Outstanding Bonds	$	102,135,000	
The Bonds		8,590,000	
Total	$	110,725,000	(b)
Estimated Overlapping Debt	$	59,367,784	
Total Direct and Estimated Overlapping Debt	$	170,092,784	
Direct Debt Ratio : as a percentage of 2020 Assessed Valuation		11.43	%
Direct and Overlapping Debt Ratio : as a percentage of 2020 Assessed Valuation		17.55	%
Bond Fund Balance Estimated as of the Date of Delivery of the Bonds	$	8,842,748	(c)
General Fund Balance as of March 11, 2021	$	6,303,551	
2020 Tax Rate per $100 of Assessed Valuation			
Debt Service Tax	$	0.60	
Maintenance Tax		0.15	
Total	$	0.75	(d)
Average Percentage of Total Tax Collections (2010-2019) as of February 28, 2021		99.88	%
Percentage of Tax Collections of 2020 Levy as of February 28, 2021 (In process of collection)		96.31	%

(a) As of January 1, 2020, and comprises the District's 2020 tax roll. All property located in the District is valued on the tax rolls by the Fort Bend Central Appraisal District (the "Appraisal District") at 100% of assessed value as of January 1 of each year. The District's tax roll is certified by the Fort Bend County Appraisal Review Board (the "Appraisal Review Board"). See "INVESTMENT CONSIDERATIONS - Factors Affecting Taxable Values and Tax Payments" and "TAXING PROCEDURES."

(b) In addition to the components of the System that the District has financed with the proceeds of the Prior Bonds, the District expects to finance the acquisition or construction of additional components of the System with the proceeds of bonds, if any, to be issued by the District in the future, including its approximately $3,230,000 Unlimited Tax Bonds, Series 2021C that it expects to issue in approximately the fourth quarter of 2021. See "THE BONDS - Issuance of Additional Debt," "FUTURE DEVELOPMENT," "THE SYSTEM" and "INVESTMENT CONSIDERATIONS - Future Debt."

(c) Neither Texas law nor the Bond Orders require the District to maintain any particular sum in the Bond Fund. Such fund balance reflects the timely payment by the District of the debt service requirements on the Outstanding Bonds that were due on March 1, 2021, and the contribution of $8,000 to the refunding of the Refunded Bonds. The District's remaining debt service payments for 2021, which are due on September 1, 2021, total $3,870,548, and consist of the payment of principal and interest on the Remaining Outstanding Bonds and the Bonds.

(d) The District levied a debt service tax in the amount of $0.60 per $100 of Assessed Valuation for 2020, plus a maintenance tax of $0.15 per $100 of Assessed Valuation. As is described in this Official Statement under the caption "TAX DATA - Estimated Overlapping Taxes," the aggregate of the 2020 tax levies of all units of government which levy taxes against the property located within the District, plus the 2020 tax of the District is $2.572307 per $100 of Assessed Valuation for the approximately 958 acres contained within the District that are located within the Lamar Consolidated School District, and $2.692007 per $100 of Assessed Valuation for the approximately 287 acres contained within the District that are located within the Katy Independent School District. Such aggregate levies are higher than the aggregate of the tax levies of some municipal utility districts located in the greater Houston metropolitan area, but are within the range of the aggregate tax levies of municipal utility districts in the Houston metropolitan area which are in stages of development comparable with the District. See "INVESTMENT CONSIDERATIONS - Factors Affecting Taxable Values and Tax Payments."

Estimated Direct and Overlapping Debt Statement

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

	Debt as of	**Estimated Overlapping**	
Taxing Jurisdiction	**March 1, 2021**	**Percent**	**Amount**
Fort Bend County	$622,289,567	1.2614%	$7,849,439
Fort Bend County Drainage District	25,405,000	1.2715%	323,024
Lamar Consolidated Independent School District (i)	1,112,480,000	3.4116%	37,953,716
Katy Independent School District (i)	1,804,195,631	0.7339%	13,241,605
TOTAL ESTIMATED OVERLAPPING DEBT			$59,367,784
TOTAL DIRECT DEBT (the Bonds and the Remaining Outstanding Bonds)			110,725,000
TOTAL DIRECT AND ESTIMATED OVERLAPPING DEBT			$170,092,784

(i) Approximately 958 acres contained within the District are located within and are subject to taxation by the Lamar Consolidated Independent School District, and approximately 287 acres contained within the District are located within and are subject to taxation by the Katy Independent School District.

Debt Ratios

	% of 2020 Assessed Valuation
Direct Debt ………………………………….	11.43%
Direct and Estimated Overlapping Debt ……	17.55%

Under Texas law, ad valorem taxes levied by each taxing authority other than the District create a lien that is on a parity with the lien in favor of the District on all taxable property within the District. In addition to the ad valorem taxes required to retire the foregoing direct and overlapping debt, the various taxing authorities mentioned above are also authorized by Texas law to assess, levy, and collect ad valorem taxes for operation, maintenance, administration, and/or general revenue purposes. Certain of the jurisdictions have in the past levied such taxes. The District has the power to assess, levy, and collect ad valorem taxes for operations and maintenance purposes, and such taxes have been authorized by the duly qualified voters of the District. The District has levied a maintenance tax of $0.15 per $100 of Assessed Valuation in 2020. See "TAX DATA - Maintenance Tax."

Debt Service Requirement Schedule

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

Year Ending December 31	Current Total Debt Service	Less: Debt Service on Refunded Bonds	Plus: The Bonds Series 2021A Principal	Series 2021A Interest	Series 2021B Principal	Series 2021B Interest	Current Total New Debt Service Requirements
2021	$5,735,571	$161,419	$ 70,000	$ 36,156	$ 20,000	$ 11,659	$5,711,967
2022	5,700,206	767,838	480,000	142,525	10,000	46,038	5,610,931
2023	5,713,906	785,038	485,000	128,125	35,000	45,738	5,622,731
2024	5,733,856	725,963	445,000	113,575	35,000	44,688	5,646,156
2025	5,729,281	728,363	460,000	100,225	35,000	43,638	5,639,781
2026	5,731,406	719,963	465,000	86,425	35,000	42,588	5,640,456
2027	5,716,281	721,163	480,000	72,475	35,000	41,538	5,624,131
2028	5,727,563	262,000	30,000	67,675	35,000	41,188	5,639,426
2029	5,717,238	260,375	30,000	67,375	35,000	40,838	5,630,076
2030	5,746,963	258,750	30,000	67,000	35,000	40,400	5,660,613
2031	5,782,744	282,125	30,000 *	66,400	60,000 *	39,700	5,696,719
2032	5,793,119	279,625	30,000 *	65,800	60,000 *	38,500	5,707,794
2033	5,779,356	277,063	30,000 *	65,200	60,000 *	37,300	5,694,793
2034	5,784,500	274,438	30,000 *	64,600	55,000 *	36,100	5,695,762
2035	5,764,506	271,813	30,000 *	64,000	55,000 *	35,000	5,676,693
2036	5,789,550	269,125	30,000 *	63,400	55,000 *	33,900	5,702,725
2037	5,500,763	291,375	40,000 *	62,800	70,000 *	32,800	5,414,988
2038	5,494,088	1,137,625	450,000	62,000	500,000 *	31,400	5,399,863
2039	5,502,150	1,127,000	440,000	53,000	515,000	21,400	5,404,550
2040	5,628,800	2,938,000	2,210,000	44,200	555,000	11,100	5,511,100
2041	5,643,744						5,643,744
2042	5,661,056						5,661,056
2043	5,675,613						5,675,613
2044	5,686,288						5,686,288
2045	5,709,163						5,709,163
2046	5,726,238						5,726,238
2047	5,747,388						5,747,388
2048	5,837,775						5,837,775
2049	5,932,675						5,932,675
2050	6,031,831						6,031,831
	$171,723,618	$12,539,061	$6,295,000	1,492,956	$2,295,000	$715,513	$169,983,026

Average Annual Requirements: (2021-2050)........ $5,666,101
Maximum Annual Requirement: (2050) $6,031,831

* Represents mandatory sinking fund payments on Term Bonds.

TAX DATA

Debt Service Tax

All taxable property within the District is subject to the assessment, levy and collection by the District of an annual ad valorem tax, without legal limitation as to rate or amount, sufficient to pay principal of and interest on the Remaining Outstanding Bonds and the Bonds (see "TAXING PROCEDURES"). The Board has in the Bond Orders covenanted to assess and levy for each year that all or any part of the Bonds remain outstanding and unpaid a tax ample and sufficient to produce funds to pay the principal of and interest on the Bonds (see "THE BONDS" and "INVESTMENT CONSIDERATIONS"). The District has levied a debt service tax for 2020 at a rate of $0.60 per $100 of Assessed Valuation. See - "Tax Rate Distribution" below.

Maintenance Tax

The Board of Directors of the District has the statutory authority to levy and collect an annual ad valorem tax for administrative expenses and maintenance of the District's water, sewer and drainage improvements, and for maintenance of recreational facilities, if such maintenance taxes are authorized by a vote of the District's electorate. On February 7, 2004, the District voters authorized the levy of a maintenance tax for administrative expenses and maintenance of water, sewer and drainage improvements in the maximum amount of $1.50 per $100 of Assessed Valuation. On May 15, 2004, the District voters authorized the levy of a maintenance tax for recreational facilities in the maximum amount of $0.10 per $100 of Assessed Valuation. Each of said taxes may be levied in addition to taxes which the District is authorized to levy for paying principal of and interest on the Outstanding Bonds, the Bonds and any parity bonds which may be issued in the future. The District has levied a maintenance tax of $0.15 per $100 of Assessed Valuation for 2020. To date, the District has not levied a maintenance tax for recreational facilities.

Historical Values and Tax Collection History

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

				% Collections	
Tax Year	Assessed Valuation	Tax Rate(a)	Adjusted Levy	Current & Prior Years(b)	Year Ended 9/30
2010	$352,316,713	$1.32	$4,650,571	100.00%	2011
2011	403,406,266	1.32	5,324,954	100.00	2012
2012	437,576,457	1.27	5,556,943	99.99	2013
2013	480,151,719	1.17	5,617,762	99.98	2014
2014	559,873,040	0.95	5,318,787	99.92	2015
2015	663,269,081	0.85	5,637,780	99.93	2016
2016	753,833,853	0.77	5,804,507	99.86	2017
2017	799,809,152	0.75	5,998,561	99.86	2018
2018	835,509,717	0.75	6,266,314	99.80	2019
2019	886,376,476	0.75	6,647,815	99.43	2020
2020	969,098,344	0.75	7,268,228	96.31(d)	2021

(a) Per $100 of Assessed Valuation.
(b) Such percentages reflect cumulative total collections for each year from the time each respective annual tax was levied through February 28, 2021. The amount of tax collected for each levy on a current basis (by September 30 of the year following each respective annual levy) is not reflected in this statement.
(c) As of February 28, 2021. In process of collection.

Tax Rate Distribution

	2020	2019	2018	2017	2016
Debt Service	$0.60	$0.60	$0.60	$0.60	$0.60
Maintenance	0.15	0.15	0.15	0.15	0.17
Total	$0.75	$0.75	$0.75	$0.75	$0.77

Analysis of Tax Base

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

Type of Property	2020 Assessed Valuation	%	2019 Assessed Valuation	%	2018 Assessed Valuation	%
Land	$208,947,540	21.56%	$198,691,700	22.42%	$182,974,350	21.90%
Improvements	801,370,669	82.69%	722,051,073	81.46%	685,040,537	81.99%
Personal Property	10,818,430	1.12%	9,781,640	1.10%	8,372,700	1.00%
Exemptions	(52,038,295)	-5.37%	(44,147,937)	-4.98%	(40,877,870)	-4.89%
TOTAL	$969,098,344	100.00%	$886,376,476	100.00%	$835,509,717	100.00%

Type of Property	2017 Assessed Valuation	%	2016 Assessed Valuation	%
Land	$170,269,700	21.29%	$162,810,930	21.60%
Improvements	634,544,532	79.34%	602,543,500	79.93%
Personal Property	7,751,250	0.97%	6,541,010	0.87%
Exemptions	(12,756,330)	-1.59%	(18,061,587)	-2.40%
TOTAL	$799,809,152	100.00%	$753,833,853	100.00%

Principal 2020 Taxpayers

Based upon information supplied by the District's Tax Assessor/Collector, the following table lists principal District taxpayers, type of property owned by such taxpayers, and the Assessed Valuation of such property as of January 1, 2020. The information reflects the composition of the Appraisal District's record of property ownership as of January 1, 2020.

Taxpayer	Type of Property	Assessed Valuation 2020 Tax Roll	% of 2020 Tax Roll
Prime Texan Westheimer US LP	Land and Improvements	$9,875,000	1.02%
HEB Grocery Company, LP	Land and Improvements	8,628,670	0.89%
Signal Katy LLC	Land and Improvements	5,189,730	0.54%
3S3 Inc.	Land and Improvements	4,518,350	0.47%
Pin Oak Reif Westpark LLC	Land and Improvements	4,133,280	0.43%
Centerpoint Energy	Personal Property	3,114,630	0.32%
Clinard Properties 3 LLC	Land and Improvements	3,100,000	0.32%
Fun & Fitness Gymnastics LLC	Land and Improvements and Personal Property	2,977,170	0.31%
Landmark Industries	Land and Improvements and Personal Property	2,555,550	0.26%
PRZ RMD TX LLC	Land and Improvements	2,411,260	0.25%
		$46,503,640	4.80%

Tax Rate Calculations

The tax rate calculations set forth below are presented to indicate the tax rates per $100 of Assessed Valuation which would be required to meet certain debt service requirements if no growth in the District's tax base occurs beyond the 2020 Assessed Valuation. The calculations assume collection of 95% of taxes levied, no use of funds on hand, and the sale of no bonds by the District other than the Prior Bonds and the Bonds.

Average Annual Debt Service Requirements (2021-2050)	$5,666,101
Tax Rate of $0.62 on the 2020 Assessed Valuation ($969,098,344) produces	$5,707,989
Maximum Annual Debt Service Requirement (2050)	$6,031,831
Tax Rate of $0.66 on the 2020 Assessed Valuation ($969,098,344) produces	$6,076,247

The District levied a debt service tax of $0.60 per $100 of Assessed Valuation for 2020, plus a maintenance tax of $0.15 per $100 of Assessed Valuation. As the above table indicates, a debt service tax rate of $0.60 per $100 of Assessed Valuation is not sufficient to pay the average annual debt service requirements and the maximum annual debt service requirement on the Bonds and the Remaining Outstanding Bonds given taxable values in the District at the level of the 2020 Assessed Valuation, assuming a tax collection rate of 95%, no use of other available funds, including earnings from the investment of funds held in the District's Bond Fund, and the issuance of no additional bonds by the District. However, as is stated above, the District had collected an average of 99.88% of its tax levies for the period 2010 through 2019, as of February 28, 2021 and its 2020 levy was 96.31% collected as of such date. Moreover, the District's Bond Fund balance is estimated to be $8,842,748 as of the date of delivery of the Bonds. Although neither Texas law nor the Bond Orders require that any specific amount be retained in the Bond Fund at any time, the District expects to apply earnings from the investment of monies held in the Bond Fund to meet the debt service requirements of the Bonds and the Remaining Outstanding Bonds. See "APPENDIX B - INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS." Therefore, the District anticipates being able to pay the maximum and average annual debt service requirements of the Bonds and the Remaining Outstanding Bonds without increasing its debt service levy above the level of the 2020 debt service levy of $0.60 per $100 of Assessed Valuation. However, the District can make no representation that the taxable property values in the District will maintain a value sufficient to support the aforementioned tax rate or to justify continued payment of taxes by property owners. See "TAX PROCEDURES" and "INVESTMENT CONSIDERATIONS - Factors Affecting Taxable Values and Tax Payments."

Estimated Overlapping Taxes

Property located within the District is subject to taxation by several taxing authorities in addition to the District. Set forth below is a compilation of all 2020 taxes levied upon property located within the District and the District's 2020 tax rate. Under Texas law, ad valorem taxes levied by each taxing authority other than the District entitled to levy taxes against property located within the District create a lien which is on a parity with the tax lien of the District. In addition to the ad valorem taxes required to make the debt service payments on bonded indebtedness of the District and of such other jurisdictions (see "DISTRICT DEBT - Estimated Direct and Overlapping Debt Statement"), certain taxing jurisdictions are authorized by Texas law to assess, levy and collect ad valorem taxes for operation, maintenance, administrative and/or general revenue purposes.

958 Acres that Lie Within Lamar Consolidated School District

Taxing Jurisdiction	2020 Tax Rate Per $100 of A.V.
The District*	$0.750000
Fort Bend County	0.435876
Fort Bend County Drainage District	0.017331
Fort Bend County Emergency Service District No. 4	0.100000
Lamar Consolidated Independent School District	1.269100
Total Tax Rate	$2.572307

287 Acres that Lie Within Katy Independent School District

Taxing Jurisdiction	2020 Tax Rate Per $100 of A.V.
The District*	$0.750000
Fort Bend County	0.435876
Fort Bend County Drainage District	0.017331
Fort Bend County Emergency Service District No. 4	0.100000
Katy Independent School District	1.388800
Total Tax Rate	$2.692007

* The District has levied a total tax of $0.75 per $100 of Assessed Valuation for 2020, consisting of a debt service tax of $0.60 per $100 of Assessed Valuation and a maintenance tax of $0.15 per $100 of Assessed Valuation.

TAXING PROCEDURES

Property Tax Code and County-Wide Appraisal District

The Texas Property Tax Code (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 a single appraisal district with the responsibility for recording and appraising property for all taxing units within a county and a single appraisal review board with the 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 wholly within Fort Bend County, including the District. Such appraisal values are subject to review and change by the Fort Bend County Appraisal Review Board (the “Appraisal Review Board”). Under certain circumstances, taxpayers and taxing units (such as the District) may appeal the orders of the Appraisal Review Board by filing a 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. Absent any such appeal, the appraisal roll, as prepared by the Appraisal District and approved by the Appraisal Review Board, must be used by each taxing jurisdiction in establishing its tax roll and tax rate. The District is eligible, along with all other conservation and reclamation districts within Fort Bend County, to participate in the nomination of and vote for a member of the Board of Directors of the Appraisal District.

Property Subject to Taxation by the District

Except for certain exemptions provided by Texas law, all real property and tangible personal property in the District is subject to taxation by the District; however, it is expected that no effort will be made by the District to collect taxes on personal property other than on personal property rendered for taxation, business inventories and the property of privately owned utilities. Principal categories of exempt property include: property owned by the State of Texas or its political subdivisions if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies, and personal effects; farm products owned by the producer; all oil, gas and mineral interests owned by an institution of higher education; certain property owned by exclusively charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; solar and wind-powered energy devices; and most individually owned automobiles. In addition, the District may by its own action exempt residential homesteads of persons sixty-five (65) years or older or under a disability for purposes of payment of disability insurance benefits under the Federal Old-Age Survivors and Disability Insurance Act to the extent deemed advisable by the Board. The District would be required to call an election on such residential homestead exemption upon petition by at least twenty percent (20%) of the number of qualified voters who voted in the District's preceding election and would be required to offer such an exemption if a majority of voters approve it at such election. For the 2020 tax year, the District has granted an exemption of $5,500 of assessed valuation for persons 65 years of age and older and to individuals who are under a disability for purposes of payment of disability insurance benefits under the Federal Old-Age Survivors and Disability Insurance Act. The District must grant exemptions to disabled veterans or certain surviving dependents of disabled veterans, if requested, of between $5,000 and $12,000 of assessed valuation depending upon the disability rating of the veteran, if such rating is less than 100%. A veteran who receives a disability rating of 100% is entitled to an exemption for the full value of the veteran’s residence 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 (i) if the residence homestead was donated by a charitable organization at no cost to the disabled veteran or (ii) the residence was donated by a charitable organization at some cost to the disabled veteran if such cost is less than or equal to fifty percent (50%) of the total good faith estimate of the market value of the residence as of the date the donation is made. Also, the surviving spouse of a member of (i) the armed forces or (ii) a first responder as defined under Texas law, who was killed in action is, subject to certain conditions, entitled to an exemption of the total appraised value of the surviving spouse’s residence homestead, and subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse.

A "Freeport Exemption" applies to goods, wares, merchandise, other tangible personal property and ores, other than oil, natural gas, and petroleum products (defined as liquid and gaseous materials immediately derived from refining oil 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 certain tangible personal property, as defined by the Property Tax Code, acquired in or imported into Texas for storage purposes and which 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. The exemption excludes oil, natural gas, petroleum products, aircraft and certain special inventory including dealer's motor vehicles, dealer's vessel and outboard motor vehicle, dealer's heavy equipment and retail manufactured housing inventory. The exemption applies to covered property if it 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. 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. However, taxing units who took official action as allowed by prior law before October 1, 2011, to tax goods-in-transit property, and who pledged such taxes for the payment of debt, may continue to impose taxes against the goods-in-transit property until the debt is discharged without further action, if cessation of the imposition would impair the obligations of the contract by which the debt was created. The District has taken official action to allow taxation of all such goods-in-transit personal property, but may choose to exempt same in the future by further official action.

General Residential Homestead Exemption

Texas law 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, but not less than $5,000, if any exemption is granted, from ad valorem taxation. The law provides, however, that 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. For the 2020 tax year, the District has not granted a general residential homestead exemption.

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. Assessments under the Property Tax Code are to be based upon one hundred percent (100%) of market value. The appraised value of residential homestead property may be limited to the lesser of the market value of the property, or the sum of the appraised value of the property for the last year in which it was appraised, plus ten percent (10%) of such appraised value multiplied by the number of years since the last appraisal, plus the market value of all new improvements to the property. Once an appraisal roll is prepared and approved by the Appraisal Review Board, it is used by the District in establishing its tax rate. The Property Tax Code requires the Appraisal District to implement a plan for periodic reappraisal of property to update appraised values. The plan must provide for appraisal of all real property by 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 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.

Rollback of Operation and Maintenance Tax Rate

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

SB 2, Texas Water Code, as amended, classifies municipal utility districts differently based on their current operation and maintenance tax rate or on the percentage of projected 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 herein as "Low Tax Rate Districts." Districts that have financed, completed, and issued bonds to pay for all land, improvements and facilities necessary to serve at least 95% of the projected build-out of the district are classified as "Developed Districts." Districts that do not meet either of the classifications previously discussed can be classified herein as "Developing Districts." The impact each classification has on the ability of a district to increase its maintenance and operations tax rate pursuant to SB 2 is described for each classification below.

Low Tax Rate Districts

Low Tax Rate Districts that adopt a total tax rate that would impose more than 1.08 times the amount of the total tax imposed by such district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead in the district, 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 Low Tax Rate District is the current year's debt service and contract tax rate plus the operation and maintenance tax rate that would impose 1.08 times the amount of operation and maintenance tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, subject to certain homestead exemptions.

Developed Districts

Developed Districts that adopt a total tax rate that would impose more than 1.035 times the amount of the total tax imposed by the district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead in the district, subject to certain homestead exemptions, 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 the operation and maintenance tax rate that would impose 1.035 times the amount of operation and maintenance tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, subject to certain homestead exemptions, 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 Low Tax Rate District and a Developed District, the district will be subject to the operation and maintenance tax threshold applicable to Low Tax Rate Districts.

Developing Districts

Districts that do not meet the classification of a Low Tax Rate District 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 imposed by such district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead in the district, 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 the operation and maintenance tax rate that would impose 1.08 times the amount of operation and maintenance tax imposed by the district in the preceding tax year on a residence homestead appraised at the average appraised value of a resident homestead in the district in that year, subject to certain homestead exemptions.

The District

A determination as to a district's status as a Low Tax Rate District, Developed District or Developing District will be made by the District’s Board of Directors on an annual basis. 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 and Taxpayer Remedies

Under certain circumstances, taxpayers and taxing units, including the District, may appeal orders of the Appraisal Review Board by filing a petition for review in district court within forty-five (45) days after notice is received that a final order has been entered. In such event, the property value in question may be determined by the court, or by a jury, if requested by any party. Additionally, taxing units may bring suit against the Appraisal District to comply with the Property Tax Code. The District may challenge the exclusion of property from the appraisal rolls or the grant, in whole or in part, of an exemption.

Texas law provides for notice and hearing procedures prior to the adoption of an ad valorem tax rate by the District. Additionally, under certain circumstances, an election would be required to determine whether to approve the adopted total tax rate. See “Rollback of Operation and Maintenance Tax Rate.” The Property Tax Code also establishes a procedure for notice to property owners of reappraisals reflecting increased property values, appraisals that are higher than renditions and appraisals of property not previously on an appraisal roll.

Agricultural, Open Space, Timberland and Inventory Deferment

The Property Tax Code permits land designated for agricultural use (including wildlife management), open space, or timberland to be appraised at its value based on the land's capacity to produce agriculture 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. Landowners wishing to avail themselves of any of such designations must apply for the designation, and the Appraisal District 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 and not as to others. If a claimant receives the designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use for the three (3) years prior to the loss of the designation for agricultural, timberland or open space land. According to the District's Tax Assessor/Collector, as of January 1, 2020, no land within the District was designated for agricultural use, open space, inventory deferment, or timberland.

Tax Abatement

The City of Houston and Fort Bend County may designate all or part of the District as a reinvestment zone, and the District, Fort Bend County, and (if it were to annex the area) the City of Houston may thereafter enter into tax abatement agreements with the owners of property within the zone. The tax abatement agreements may exempt from ad valorem tax, by the applicable taxing jurisdictions, and by the District, for a period of up to ten (10) years, all or any part of any increase in the assessed valuation of property covered by the agreement over its assessed valuation in the year in which the agreement is executed, on the condition that the property owner make specified improvements or repairs to the property in conformity with a comprehensive plan. According to the District's Tax Assessor/Collector, to date, none of the area within the District has been designated as a reinvestment zone.

Levy and Collection of Taxes

The District is responsible for the collection of its taxes, unless it elects to transfer such functions to another governmental entity. The District adopts its tax rate each year after it receives a tax roll certified by the Appraisal District. Taxes are due upon receipt of a bill therefor, and become delinquent after January 31 of the following year or 30 days after the date billed, whichever is later, or, if billed after January 10, they are delinquent on the first day of the month next following the 21st day after such taxes are billed. A delinquent tax accrues interest at a rate of one percent (1%) for each month or portion of a month the tax remains unpaid beginning the first calendar month it is delinquent. A delinquent tax also incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent plus a one percent (1%) penalty 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. However, a tax delinquent on July 1 incurs a total penalty of twelve percent (12%) of the amount of the delinquent tax without regard to the number of months the tax has been delinquent, which penalty remains at such rate without further increase. If the tax is not paid by July 1, an additional penalty of up to the amount of the compensation specified in the District's contract with its delinquent tax collection attorney, but not to exceed twenty percent (20%) of the total tax, penalty and interest, may, under certain circumstances, be imposed by the District. With respect to personal property taxes that become delinquent on or after February 1 of a year and that remain delinquent sixty (60) days after the date on which they become delinquent, as an alternative to the penalty described in the foregoing sentence, an additional penalty on personal property of up to the amount specified in the District's contract with its delinquent tax attorney, but not to exceed twenty percent (20%) of the total tax, penalty and interest, may, under certain circumstances, be imposed by the District prior to July 1. The District's contract with its delinquent tax collection attorney currently specifies a twenty percent (20%) additional penalty. The District may waive penalties and interest on delinquent taxes only for the items specified in the Texas Property Tax Code. The Property Tax Code also makes provision for the split payment of taxes, discounts for early payment and the postponement of the delinquency of taxes under certain circumstances. The owner of a residential homestead property who is (i) a person sixty-five (65) years of age or older, (ii) under a disability for purpose of payment of disability insurance benefits under the Federal Old Age Survivors and Disability Insurance Act, or (iii) qualifies as a disabled veteran under Texas law, is entitled by law to pay current taxes on a residential homestead in installments or to defer the payment of taxes without penalty during the time of ownership. Additionally, a person who is delinquent on taxes for a residential homestead is entitled to an agreement with the District to pay such taxes in equal installments over a period of between 12 and 36 months (as determined by the District) when such person has not entered into another installment agreement with respect to delinquent taxes with the District in the preceding 24 months.

District's Rights in the Event of Tax Delinquencies

Taxes levied by the District are a personal obligation of the owner of the property against which the tax is levied. In addition, on January 1, of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of each taxing unit, including the District, having power to tax the property. The District's tax lien is on a parity with tax liens of other such taxing units (see "DISTRICT DEBT – Estimated Direct and Overlapping Debt Statement"). 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. Further, personal property under certain circumstances is subject to seizure and sale for the payment of delinquent taxes, penalties, and interest.

Except with respect to (i) owners of residential homestead property who are sixty-five (65) years of age or older or under a disability as described above and who have filed an affidavit as required by law, and (ii) owners of residential homesteads who have entered into an installment agreement with the District for payment of delinquent taxes as described above and who are not in default under said agreement, 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. 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, or by taxpayer redemption rights (a taxpayer may redeem property that is a residence homestead or was designated for agricultural use within two (2) years after the deed issued at foreclosure is filed of record and may redeem all other property within six (6) months after the deed issued at foreclosure is filed of record) or by bankruptcy proceedings which restrict the collection of taxpayer debt. The District's ability to foreclose its tax lien or collect penalties and interest may be limited on property owned by a financial institution which is under receivership by the Federal Deposit Insurance Corporation pursuant to the Federal Deposit Insurance Act 12 U.S.C. 1825, as amended. Generally, the District's tax lien and a federal tax lien are on par with the ultimate priority being determined by applicable federal law. See "INVESTMENT CONSIDERATIONS - Tax Collection Limitations" and "- The Effect of the Financial Institutions Act of 1989 on Tax Collections of the District."

INVESTMENT CONSIDERATIONS

General

The Bonds, which are obligations solely of the District and not of the State of Texas, Fort Bend County, Texas, the City of Houston, Texas, or any political subdivision or agency other than the District, are secured by the proceeds an annual ad valorem tax, levied without legal limit as to rate or amount, upon all taxable property within the District. The ultimate security for payment of the principal of and interest on the Bonds depends upon the District's ability to collect from the property owners within the District taxes levied against all taxable property located within the District, or, in the event taxes are not collected and foreclosure proceedings are instituted by the District, upon the value of the taxable property with respect to taxes levied by the District and by other taxing authorities. The District makes no representation that over the life of the Bonds the taxable property within the District will maintain a value sufficient to justify continued payment of taxes by property owners or that there will be a market for any property if the District forecloses on property to enforce its tax lien. The potential increase in taxable valuation of District property is directly related to the economics of the residential housing industry, not only due to general economic conditions, but also due to the particular factors discussed below. Further, the collection of delinquent taxes owed the District, and the enforcement by a Registered Owner of the District's obligation to collect sufficient taxes may be costly and lengthy processes. See "Tax Collection Limitations" and "Registered Owners' Remedies and Bankruptcy" below and "THE BONDS - Source and Security for Payment" and - "Remedies in Event of Default."

Factors Affecting Taxable Values and Tax Payments

Economic Factors: A substantial percentage of the assessed valuation of the property located within the District is attributable to the current market value of single-family residences that have been constructed within the District, of the single-family residential lots that have been developed by the developers of the District and of the developed lots which have been sold by developers of the District to home building companies for the construction of primary residences. The market value of such homes and lots 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 costs and 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. Further declines in the price of oil could adversely affect job stability, wages and salaries, thereby negatively affecting the demand for housing and the values of existing homes. See " Potential Effects of Oil Price Declines on the Houston Area" below. Recent changes in federal tax law limiting deductions for ad valorem taxes may adversely affect the demand for housing and the prices thereof. Were the District to experience a significant number of residential foreclosures, the value of all homes within the District could be adversely affected. Although development of the District has occurred as is described in this Official Statement under the captions "DEVELOPMENT AND HOME CONSTRUCTION," and "DEVELOPERS AND OTHER PRINCIPAL LANDOWNERS," the District cannot predict the pace or magnitude of any future development, home construction or commercial building activity in the District other than that which has occurred to date.

National Economy: The housing and building industry has historically been a cyclical industry, affected by both short-term and long-term interest rates, availability of mortgage and development funds, employment levels and general economic conditions. Although development of the District has occurred as described in this Official Statement under the caption "DEVELOPMENT OF THE DISTRICT" the District cannot predict the pace or magnitude of any future development or construction in the District other than that which has occurred to date. The District cannot predict what impact, if any, a downturn in the local housing markets or in the national housing and financial markets may have on the Houston market generally and the District specifically.

Credit Markets and Liquidity in the Financial Markets: Interest rates and the availability of mortgages and development funding have a direct impact on development and homebuilding activity, particularly short-term interest rates at which developers are able to obtain financing for development costs and at which homebuilders are able to finance the construction of new homes for sale. Interest rate levels may affect the ability of a developer with undeveloped property to undertake and complete development activities within the District and of homebuilders to initiate the construction of new homes for sale. 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 development and/or home construction or the construction of future commercial buildings within the District. In addition, since the District is located approximately 28 miles west of 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 further decline in real estate and financial markets in the United States could adversely affect development and homebuilding plans or the construction of future commercial buildings in the District and restrain the growth of the District's property tax base.

Developer/Builder/Landowner Obligation to the District: The ability of the Developers, consisting of Ashton and FDC (see "DEVELOPERS AND OTHER PRINCIPAL LANDOWNERS"), or any other principal taxpayer, such as the Builders (see "BUILDERS"), within the District to make full and timely payments of taxes levied against their property by the District and similar taxing authorities will directly affect the District's ability to meet its debt service obligations. There is no commitment by or legal requirement of Ashton, FDC or any other party to the District to proceed at any particular rate or according to any specified plan with the development of land in the District, or of the Builders or any other home building company to proceed at any particular pace with the construction of homes in the District, and there is no restriction on any land owner's right to sell its land. Therefore, the District can make no representation about the probability of future development, if any, or the rate of home construction activity in the District. See "DEVELOPMENT AND HOME CONSTRUCTION" and "FUTURE DEVELOPMENT."

Maximum Impact on District Tax Rates

The value of the land and improvements currently located within the District will be a major determinant of the ability of the District to collect, and the willingness of District property owners to pay, ad valorem taxes levied by the District. The District's 2020 Assessed Valuation is $969,098,344. After issuance of the Bonds, the Maximum Annual Debt Service Requirement on the Bonds and the Remaining Outstanding Bonds will be $6,031,831 (2050) and the Average Annual Debt Service Requirements will be $5,666,101 (2021 through 2050, inclusive). Assuming no increase to nor decrease from the 2020 Assessed Valuation, no use of funds on hand, and the issuance of no additional bonds by the District, tax rates of $0.66 and $0.62 per $100 of Assessed Valuation at a 95% tax collection rate would be necessary to pay the Maximum Annual Debt Service Requirement and the Average Annual Debt Service Requirements, respectively.

The District levied a debt service tax of $0.60 per $100 of Assessed Valuation for 2020, plus a maintenance tax of $0.15 per $100 of Assessed Valuation. As is indicated above, the 2020 debt service tax rate of $0.60 per $100 of Assessed Valuation is not sufficient to pay the average annual debt service requirements and the maximum annual debt service requirement on the Bonds and the Remaining Outstanding Bonds given taxable values in the District at the level of the 2020 Assessed Valuation, assuming a tax collection rate of 95%, no use of other available funds, including earnings from the investment of funds held in the District's Bond Fund, and the issuance of no additional bonds by the District. However, as is illustrated above under the caption "Historical Values and Tax Collection History," the District has collected an average of 99.88% of its tax levies for the period 2010 through 2019, as of February 28, 2021 and its 2020 levy was 96.31% collected as of such date. Moreover, the District's Bond Fund balance is estimated to be $8,842,748 as of the date of delivery of the Bonds. Although neither Texas law nor the Bond Orders require that any specific amount be retained in the Bond Fund at any time, the District expects to apply earnings from the investment of monies held in the Bond Fund to meet the debt service requirements of the Bonds and the Remaining Outstanding Bonds. See "APPENDIX B - INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS." Therefore, the District anticipates being able to pay the maximum and average annual debt service requirements of the Bonds and the Remaining Outstanding Bonds without increasing its debt service levy above the level of the 2020 debt service levy of $0.60 per $100 of Assessed Valuation. However, the District can make no representation that the taxable property values in the District will maintain a value sufficient to support the aforementioned tax rate or to justify continued payment of taxes by property owners. See "TAXING PROCEDURES." Increases in the District's total tax rate to higher levels than the total $0.75 per $100 of Assessed Valuation rate which the district has levied for 2020 may have an adverse impact upon future development of the District, and the ability of the District to collect, and the willingness of owners of property located within the District to pay, ad valorem taxes levied by the District. See "THE BONDS - Issuance of Additional Debt," and "Future Debt" below.

As is enumerated in this Official Statement under the caption "TAX DATA - Estimated Overlapping Taxes," the aggregate of the 2020 tax levies of all units of government which levy taxes against the property located within the District, plus the District's 2020 rate of $0.75 per $100 of Assessed Valuation, is $2.572307 as to the approximately 958 acres contained within the District that are located within the Lamar Consolidated School District, and $2.692007 as to the approximately 287 acres contained within the District that are located within the Katy Independent School District. Such aggregate levies are higher than the aggregate of the tax levies of some municipal utility districts located in the greater Houston metropolitan area, but are within the range of the aggregate tax levies of municipal utility districts in the Houston metropolitan area which are in stages of development comparable with the District.

Tax Collection Limitations

The District's ability to make debt service payments may be adversely affected by its inability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien in favor of the District on a parity with the liens of all other state and local taxing authorities on the property against which taxes are levied, and such lien may be enforced by foreclosure. The District's ability to collect ad valorem taxes through such foreclosure may be impaired by (i) cumbersome, time-consuming, and expensive collection procedures, (ii) a bankruptcy court's stay of tax collection procedures against a taxpayer, (iii) market conditions limiting the proceeds from a foreclosure sale of taxable property, or (iv) the taxpayer's right to redeem the property within two years of foreclosure. While the District has a lien on taxable property within the District for taxes levied against such property, such lien can be foreclosed only in a judicial proceeding.

Registered Owners' Remedies and Bankruptcy

In the event of default in the payment of principal of or interest on the Bonds, the Registered Owners have a right to seek a writ of mandamus requiring the District to levy adequate taxes each year to make such payments. Except for mandamus, the Bond Orders do not 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. 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 Orders may not be reduced to a judgement for money damages. Even if Registered Owners could obtain a judgment against the District, such a judgment could not be enforced by a direct levy and execution against the District's property. Further, the Registered Owners cannot themselves foreclose on property within the District or sell property within the District in order to pay the principal of and interest on the Bonds. Since there is no trust indenture or trustee, the Registered Owners would have to initiate and finance the legal process to enforce their remedies.

The enforceability of the rights and remedies of the Registered Owners may be further limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. In this regard, should the District file a petition for protection from creditors under federal bankruptcy laws, a suit seeking the remedy of mandamus would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge. See "THE BONDS - Remedies in Event of Default."

The District may not be placed into bankruptcy involuntarily.

The Effect of the Financial Institutions Act of 1989 on Tax Collections of the District

The Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA") contains certain provisions which affect the time for protesting property valuations, the fixing of tax liens, and the collection of penalties and interest on delinquent taxes on real property owned by the Federal Deposit Insurance Corporation ("FDIC") when the FDIC is acting as the conservator or receiver of an insolvent financial institution.

Under FIRREA, real property held by the FDIC is still subject to ad valorem taxation, but such act states (i) that no real property of the FDIC shall be subject to foreclosure or sale without the consent of the FDIC and no involuntary liens shall attach to such property, (ii) the FDIC shall not be liable for any penalties, interest, or fines, including those arising from the failure to pay any real or personal property tax when due, and (iii) notwithstanding failure of a person to challenge an appraisal in accordance with state law, such value shall be determined as of the period for which such tax is imposed.

To the extent the FIRREA provisions are valid and applicable to any property in the District and to the extent that the FDIC attempts to enforce the same, these provisions may affect the timeliness of collection of taxes on property, if any, owned by the FDIC in the District and may prevent the collection of penalties and interest on such taxes.

Marketability

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

Future Debt

The District reserved in the Bond Orders the right to issue the remaining $75,475,000 in unlimited tax bonds authorized but unissued for waterworks, sanitary sewer and drainage facilities, the remaining $115,040,000 in unlimited tax bonds authorized but unissued for refunding purposes, the remaining $7,000,000 in unlimited tax bonds for recreational facilities, and such additional bonds as may hereafter be approved by the voters of the District. The District has also reserved the right to issue certain other additional bonds, special project bonds, and other obligations described in the Bond Orders. All of the remaining bonds described above for waterworks, sanitary sewer and drainage facilities which have heretofore been authorized by the voters of the District may be issued by the District from time to time as needed. The issuance of such bonds for waterworks, wastewater and drainage facilities is also subject to TCEQ authorization. The District anticipates financing its cost of acquiring or constructing additional components of its System with the proceeds of the sale of bonds, if any, to be issued by the District in the future, including its approximately $3,230,000 Unlimited Tax Bonds, Series 2021C that it expects to issue in approximately the fourth quarter of 2021. See "THE BONDS - Issuance of Additional Debt."

The District's Engineer currently estimates that the aforementioned $75,475,000 authorized unlimited tax bonds which remain unissued will be adequate to finance the construction of all waterworks, wastewater, and drainage facilities that will be necessary to provide service to all of the currently undeveloped portions of the District. If additional bonds are issued in the future and property values have not increased proportionately, such issuance may increase gross debt/property valuation ratios and thereby adversely affect the investment quality or security of the Bonds. See "THE BONDS - Issuance of Additional Debt," "DISTRICT DEBT," and "TAX DATA - Tax Rate Calculations."

Continuing Compliance with Certain Covenants

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

Approval of the Bonds

The Attorney General of Texas must approve the legality of the Bonds prior to their delivery. The Attorney General of Texas does not pass upon or guarantee the security of the Bonds as an investment, or the adequacy or accuracy ofthe information contained in this Official Statement.

Competitive Nature of Houston Residential Housing and Commercial Building Markets

The housing industry in the Houston area is very competitive, and the District can give no assurance that the building programs which are planned by the Builders or any future home builder(s) will be continued or completed. The respective competitive positions of the Developers and the Builders and any other developer or home builder(s) which might attempt future development or home building projects in the District in the sale of developed lots or in the construction and sale of single-family residential units or of any party to undertake the construction of commercial buildings in the District are affected by most of the factors discussed in this section, and such competitive positions are directly related to tax revenues received by the District and the growth and maintenance of taxable values in the District.

Environmental Regulations

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

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

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

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

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 developed a formal request that the HGB Area be redesignated to attainment under the 1997 Ozone Standards. The TCEQ Commissioners adopted the request and maintenance plan for the 1997 one-hour and eight-hour standards on December 12, 2018. On May 16, 2019, the EPA proposed a determination that the HGB Area has met the redesignation criteria and continues to attain the 1997 one-hour and eight-hour standards, the termination of the anti-backsliding obligations, and approval of the proposed maintenance plan.

The HGB Area is currently designated as a "serious" nonattainment area under the 2008 Ozone Standard, with an attainment deadline of July 20, 2021. 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 non-stormwater discharges into surface water in the state. It has a 5-year permit term, and is then subject to renewal. Moreover, the Clean Water Act ("CWA") and Texas Water Code require municipal wastewater treatment plants to meet secondary treatment effluent limitations and more stringent water quality-based limitations and requirements to comply with the Texas water quality standards. Any water quality-based limitations and requirements with which a municipal utility district must comply may have an impact on the municipal utility district's ability to obtain and maintain compliance with TPDES permits.

The District is subject to the TCEQ's General Permit for Phase II (Small) Municipal Separate Storm Sewer Systems (the "MS4 Permit"), which was issued by the TCEQ on January 24, 2019. The MS4 Permit authorizes the discharge of stormwater to surface water in the state from small municipal separate storm sewer systems. The District has applied for coverage under the MS4 Permit and is awaiting final approval from the TCEQ. In order to maintain compliance with the MS4 Permit, the District continues to develop, implement, and maintain the required plans, as well as to install or implement best management practices to minimize or eliminate unauthorized pollutants that may otherwise be found in stormwater runoff. Costs associated with these compliance activities could be substantial in the future.

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

In 2015, the EPA and USACE promulgated a rule known as the Clean Water Rule ("CWR") aimed at redefining "waters of the United States" over which the EPA and USACE have jurisdiction under the CWA. The CWR significantly expanded the scope of the federal government's CWA jurisdiction over intrastate water bodies and wetlands. The CWR was challenged in numerous jurisdictions, including the Southern District of Texas, causing significant uncertainty regarding the ultimate scope of "waters of the United States" and the extent of EPA and USACE jurisdiction.

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

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

Extreme Weather Events

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, including the District, has experienced multiple 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. However, according to the District's Operator and Engineer, the District's System did not sustain any material damage and there was no interruption of water and sewer service from Hurricane Harvey. Neither the District's Operator nor Engineer are aware of any homes or commercial improvements within the District that experienced structural flooding or other significant 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 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.

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.

Infectious Disease Outbreak (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 the Pandemic. 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 the Pandemic an imminent threat of disaster for all counties in Texas (collectively, the "disaster declarations"). On March 25, 2020, in response to a request from the Governor, the President issued a Major Disaster Declaration for the State of Texas.

Pursuant to Chapter 418 of the Texas Government Code, the Governor has broad authority to respond to disasters, including suspending any regulatory statute prescribing the procedures for conducting state business or any order or rule of a state agency that would in any way prevent, hinder, or delay necessary action in coping with this disaster and issuing executive orders that have the force and effect of law. The Governor has issued a number of executive orders relating to the Pandemic preparedness and mitigation. Additional information regarding executive orders issued by the Governor is accessible on the website of the Governor at https://gov.texas.gov/. Neither the information on (nor accessed through) such website of the Governor is incorporated by reference, either expressly or by implication, into this Official Statement.

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 conditions and financial markets worldwide and within Texas and the Houston area. Stock values and oil prices, in the U.S. and globally, have seen significant declines attributed in part to Pandemic 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 the Pandemic on the District cannot be quantified at this time, the continued outbreak of the 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 partially prior to the economic impact of the Pandemic and measures instituted to slow it. Accordingly, they are not necessarily 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 such prices in three decades, may lead to adverse conditions in the oil and gas industry, including but not limited to reduced revenues, declines in capital and operating expenditures, business failures, and layoffs of workers. The economy of the Houston area has, in the past, been particularly affected by adverse conditions in the oil and gas industry, and such conditions and their spillover effects into other industries could result in declines in the demand for residential and commercial property in the Houston area and could reduce or negatively affect property values or homebuilding activity within the District. As previously stated, the Bonds are secured by an unlimited ad valorem tax, and a reduction in property values may require an increase in the ad valorem tax rate required to pay the Bonds as well as the District's share of operations and maintenance expenses payable from ad valorem taxes.

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.

2021 Legislative Session

The 87th Regular Legislative Session convened on January 12, 2021, and will conclude on May 31, 2021. The Texas Legislature could enact laws that materially change current laws affecting ad valorem tax matters. The District can make no representation regarding any actions the Texas Legislature may take or the effect of any such actions.

LEGAL MATTERS

Legal Opinions

The District will furnish to the Underwriters a transcript of certain certified proceedings incident to the issuance and authorization of the Bonds, including a certified copy of the approving legal opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State of Texas, to the effect that the Attorney General has examined a transcript of proceedings authorizing the issuance of the Bonds, and that based upon such examination, the Bonds are valid and binding obligations of the District payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property within the District. The District will also furnish the approving legal opinion of Schwartz, Page & Harding, L.L.P., Houston, Texas, Bond Counsel, to the effect that, based upon an examination of such transcript, the Bonds are valid and binding obligations of the District under the Constitution and laws of the State of Texas, except to the extent that enforcement of the rights and remedies of the Registered Owners of the Bonds may be limited by laws relating to bankruptcy, reorganization, or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. The legal opinion of Bond Counsel will further state that the Bonds are payable, both as to principal and interest, from the levy of ad valorem taxes, without legal limitation as to rate or amount, upon all taxable property within the District. The District will also furnish the legal opinion of McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Special Tax Counsel to the District, to the effect that interest on the Bonds is excludable from gross income of the owners for federal income tax purposes under existing law and not subject to the alternative minimum tax on individuals.

In addition to serving as Bond Counsel, Schwartz, Page & Harding, L.L.P., also serves as counsel to the District on matters not related to the issuance of bonds. The legal fees to be paid to Bond Counsel and Special Tax Counsel for services rendered in connection with the issuance of the Bonds are based upon a percentage of bonds actually issued, sold and delivered, and, therefore, such fees are contingent upon the sale and delivery of the Bonds. Certain legal matters will be passed upon for the Underwriters by McCall, Parkhurst & Horton L.L.P., Houston, Texas.

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.

Legal Review

In its capacity as Bond Counsel, Schwartz, Page & Harding, L.L.P., has reviewed the information appearing in this Official Statement under the captioned sections "THE BONDS," "PLAN OF FINANCING - Escrow Agreement," and - "Defeasance of the Refunded Bonds" (but only insofar as such section relates to the legal opinion of Bond Counsel), "THE DISTRICT - General," - "Management of the District - Bond Counsel and General Counsel," and - "Strategic Partnership Agreement," "TAX PROCEDURES," and "LEGAL MATTERS - Legal Opinions" (insofar as such section relates to the legal opinion of Bond Counsel) solely to determine whether such information fairly summarizes the law and documents referred to therein. In its capacity as Special Tax Counsel, McCall, Parkhurst & Horton L.L.P., has reviewed the information appearing in this Official Statement under the captions "THE DISTRICT - Management of the District - Special Tax Counsel," "LEGAL MATTERS - Legal Opinions" (insofar as such section relates to the legal opinion of Special Tax Counsel) and "TAX MATTERS," solely to determine whether such information fairly summarizes the law referred to therein. Such firms have not independently verified factual information contained in this Official Statement, nor have such firms conducted an investigation of the affairs of the District for the purpose of passing upon the accuracy or completeness of this Official Statement. No person is entitled to rely upon such firms' limited participation as an assumption of responsibility for, or an expression of opinion of any kind with regard to, the accuracy or completeness of any of the other information contained herein.

TAX MATTERS

Opinion

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

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

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The opinion of Special Tax Counsel to the District is conditioned on compliance by the District with such requirements, and Special Tax Counsel to the District has not been retained to monitor compliance with these requirements subsequent to the issuance of the Bonds. Special Tax Counsel's opinion represents its legal judgement based upon its review of Existing Law and the reliance on the aforementioned information, representations and covenants. Special Tax Counsel's opinion is not a guarantee of a result. Existing Law is subject to change by the Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Bonds.

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

Federal Income Tax Accounting Treatment of Original Issue Discount and Premium Bonds

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

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

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

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

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. ALL OWNERS OF ORIGINAL ISSUE DISCOUNT BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE DETERMINATION FOR FEDERAL, STATE AND LOCAL INCOME TAX PURPOSES OF INTEREST ACCRUED UPON REDEMPTION, SALE OR OTHER DISPOSITION OF SUCH ORIGINAL ISSUE DISCOUNT BONDS AND WITH RESPECT TO THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP, REDEMPTION, SALE OR OTHER DISPOSITION OF SUCH ORIGINAL ISSUE DISCOUNT BONDS.

The initial public offering price to be paid for certain maturities of the Bonds is greater than the amount payable on such Bonds at maturity (the "Premium Bonds"). An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial purchaser of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial purchaser must be reduced each year by the amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser's yield to maturity. PURCHASERS OF THE PREMIUM BONDS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS WITH RESPECT TO THE DETERMINATION OF AMORTIZABLE BOND PREMIUM WITH RESPECT TO THE PREMIUM BONDS FOR FEDERAL INCOME TAX PURPOSES AND WITH RESPECT TO THE STATE AND LOCAL TAX CONSEQUENCES OF OWNING PREMIUM BONDS.

Collateral Federal Income Tax Consequences

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

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

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

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

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

State, Local and Foreign Taxes

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

Qualified Tax-Exempt Obligations for Financial Institutions

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

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

NO-LITIGATION CERTIFICATE

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

NO MATERIAL ADVERSE CHANGE

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

VERIFICATION OF ACCURACY OF MATHEMATICAL COMPUTATIONS

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

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

OFFICIAL STATEMENT

General

The information contained in this Official Statement has been obtained primarily from the District's records, the Engineer, the Tax Assessor/Collector, the Appraisal District and other sources believed to be reliable; however, no representation is made as to the accuracy or completeness of the information contained herein that was obtained from sources other than the District. The summaries of the statutes, resolutions, orders and engineering and other related reports set forth herein are included subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information.

The financial statements of the District as of June 30, 2020, and for the year then ended, included in this offering document, have been audited by BKD, LLP, independent auditors, as stated in their report appearing herein. See "APPENDIX B - INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS."

Experts

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

The information contained in the Official Statement relating to assessed valuations of property generally and, in particular, that information concerning collection rates and valuations contained in the sections captioned "DISTRICT DEBT" and "TAX DATA" was provided Wheeler & Associates, Inc. and the Appraisal District. Such information has been included herein in reliance upon the authority of Wheeler & Associates, Inc. as an expert in the field of tax collection and the Appraisal District's authority as an expert in the field of tax assessing.

Certification as to Official Statement

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

Updating of Official Statement

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

CONTINUING DISCLOSURE OF INFORMATION

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

Annual Reports

The District will provide certain updated financial information and operating data annually to the MSRB. The information to be updated with respect to the District includes all quantitative financial information and operating data of the general type included in this Official Statement under the headings "DISTRICT DEBT," "TAX DATA," and in "APPENDIX B – INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS." The District will update and provide this information within six months after the end of each of its fiscal years ending in or after 2021. The District will provide the updated information to the MSRB or any successor to its functions as a repository.

The District may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by SEC Rule 15c2-12 (the "Rule"). The updated information will include audited financial statements if it commissions an audit and the audit is completed by the required time. If the audit of such financial statements is not complete within such period, then the District shall provide unaudited financial statements for the applicable fiscal year to the MSRB within such six-month period, and audited financial statements when the audit report on such statements becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in the Bond Orders or such other accounting principles as the District may be required to employ from time to time pursuant to state law or regulation.

The District's fiscal year end is currently June 30. Accordingly, it must provide updated information by the last day of December 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 MSRB, but in no event will such notices be provided to the MSRB in excess of ten business days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determination of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other 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 a 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 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 Orders make any provision for debt service reserves or liquidity enhancement. In addition, the District will provide timely notice of any failure by the District to provide financial information, operating data, or financial statements in accordance with its agreement described above under "Annual Reports."

Availability of Information

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

Limitations and Amendments

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

The District may amend its continuing disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the District, if but only if the agreement, as amended, would have permitted an Underwriters 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 Remaining 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 Orders 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 Underwriters from lawfully purchasing the Bonds in the initial offering. If the District so amends the agreement, it has agreed to include with any financial information or operating data next provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

Compliance With Prior Undertakings

During the last five years, the District has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule.

This Official Statement was approved by the Board of Directors of Fort Bend County Municipal Utility District No. 142 as of the date shown on the first page hereof.

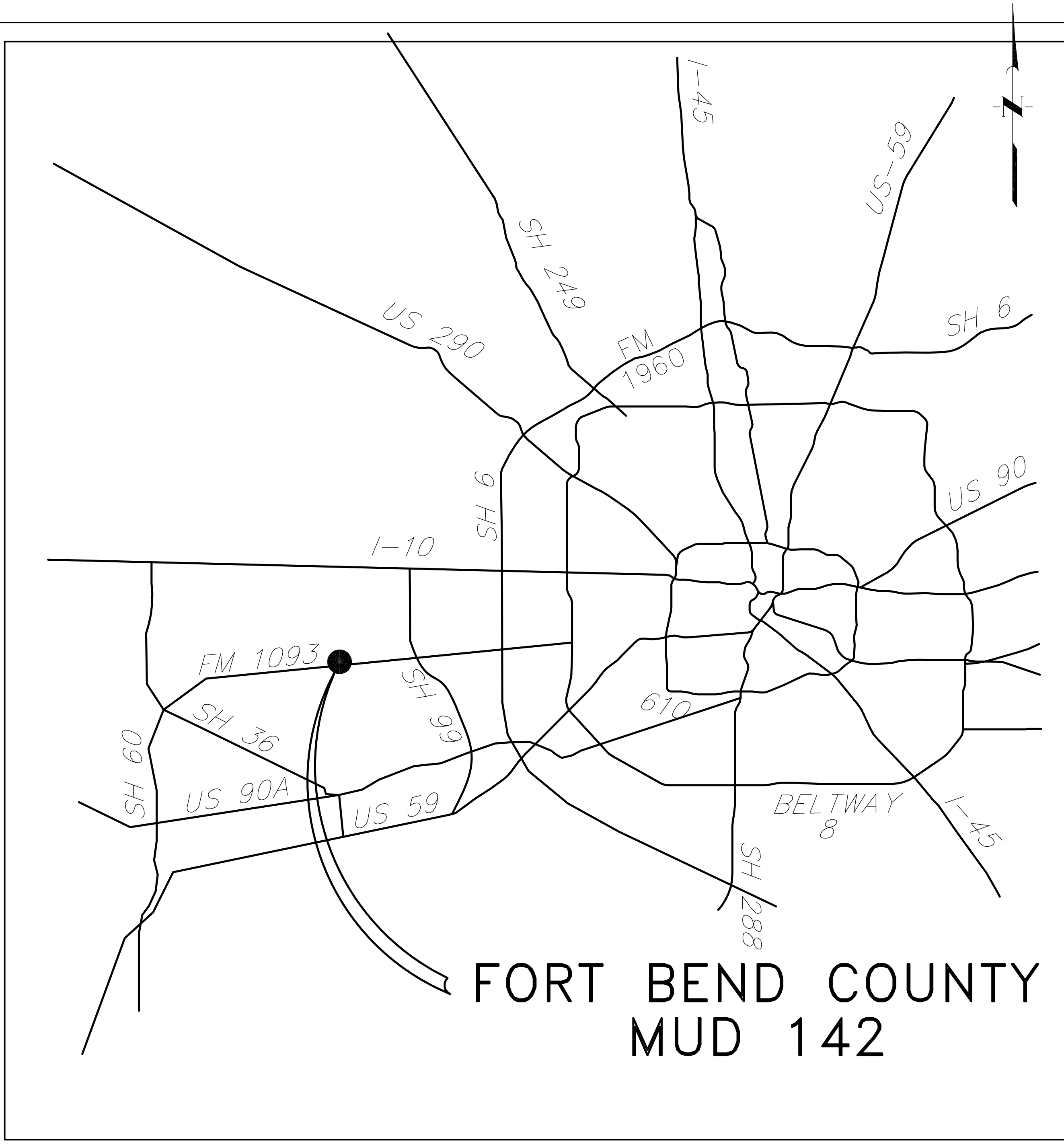
/s/ Randal L. Carter
President, Board of Directors
Fort Bend County Municipal Utility District No. 142

ATTEST:

/s/ Ross Madia
Secretary, Board of Directors
Fort Bend County Municipal Utility District No. 142

APPENDIX A

LOCATION MAP



FORT BEND COUNTY
MUNICIPAL UTILITY DISTRICT 142

LOCATION MAP

JONES & CARTER, INC.

J:Land Tejas\Westheimer Lakes\FBCMUD142\Mud Cvr.

APPENDIX B

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 142

FORT BEND COUNTY, TEXAS

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

JUNE 30, 2020

Fort Bend County Municipal Utility District No. 142

Fort Bend County, Texas

Independent Auditor's Report and Financial Statements

June 30, 2020

BKD
CPAs & Advisors

Fort Bend County Municipal Utility District No. 142

June 30, 2020

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BKD
CPAs & Advisors

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Independent Auditor's Report

Board of Directors
Fort Bend County Municipal Utility District No. 142
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. 142 (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

BKD, LLP

Houston, Texas
November 11, 2020

Fort Bend County Municipal Utility District No. 142

Management's Discussion and Analysis

June 30, 2020

Overview of the Financial Statements

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

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

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

Governmental Funds

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

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

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

Notes to Financial Statements

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

Financial Analysis of the District as a Whole

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

Summary of Net Position

	2020	2019
Current and other assets	$ 21,252,309	$ 22,633,889
Capital assets	69,488,593	66,436,958
Total assets	90,740,902	89,070,847
Deferred outflows of resources	2,477,256	2,526,107
Total assets and deferred outflows of resources	$ 93,218,158	$ 91,596,954
Long-term liabilities	$ 85,263,803	$ 84,407,113
Other liabilities	2,361,980	2,391,198
Total liabilities	87,625,783	86,798,311
Net position:		
Net investment in capital assets	(12,398,236)	(12,128,178)
Restricted	8,430,527	7,845,897
Unrestricted	9,560,084	9,080,924
Total net position	$ 5,592,375	$ 4,798,643

The total net position of the District increased by $793,732, or about 17 percent. The majority of the increase in net position is related to property tax revenues intended to pay principal on the District's bonded indebtedness, which is shown as long-term liabilities in the government-wide financials statements. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Fort Bend County Municipal Utility District No. 142

Management's Discussion and Analysis (Continued)

June 30, 2020

Summary of Changes in Net Position

	2020	2019
Revenues:		
Property taxes	$ 6,644,499	$ 6,269,830
City of Houston rebates	59,699	53,891
Charges for services	4,332,173	3,797,058
Other revenues	1,483,996	1,200,539
Total revenues	12,520,367	11,321,318
Expenses:		
Services	6,358,824	5,627,267
Depreciation	1,763,065	1,676,901
Debt service	3,604,746	3,696,243
Total expenses	11,726,635	11,000,411
Change in net position	793,732	320,907
Net position, beginning of year	4,798,643	4,477,736
Net position, end of year	$ 5,592,375	$ 4,798,643

Financial Analysis of the District's Funds

The District's combined fund balances as of the end of the fiscal year ended June 30, 2020, were $19,694,872, a decrease of $1,405,385 from the prior year.

The general fund's fund balance increased by $434,489, primarily due to property taxes and service revenues being greater than service operation and capital outlay expenditures. In addition, tap connection fees revenues exceeded the related tap connections expenditures.

The debt service fund's fund balance increased by $525,474, due to property tax revenues generated being greater than bond principal and interest requirements.

The capital projects fund's fund balance decreased by $2,365,348, primarily due to capital outlay expenditures and debt issuance costs exceeding proceeds received from a current year bond sale.

General Fund Budgetary Highlights

There were several differences between the final budgetary amounts and actual amounts. The major differences between budget and actual were due to property taxes, sewer service and tap connection fees revenues, and repairs and maintenance, purchased services and tap connections expenditures being greater than expected. The fund balance as of June 30, 2020, was expected to be $9,434,278 and the actual end-of-year fund balance was $9,486,017.

Capital Assets and Related Debt

Capital Assets

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

Capital Assets (Net of Accumulated Depreciation)

	2020	2019
Land and improvements	$ 18,261,363	$ 19,605,608
Construction in progress	5,506,291	3,079,219
Water facilities	9,784,277	9,568,007
Wastewater facilities	14,896,182	14,176,754
Drainage facilities	18,832,721	17,496,187
Recreational facilities	2,207,759	2,511,183
Total capital assets	$ 69,488,593	$ 66,436,958

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

Construction in progress, including elevated storage tank No. 1, wastewater treatment plant expansion, water plant Nos. 1 and 2 improvements, and waterline extension to Briscoe Falls	$ 2,462,506
Water, sewer and drainage facilities to serve Creekside Ranch, Sections 6-7 and 9-12	3,493,956
Creekside Ranch lift station expansion	202,483
Total additions to capital assets	$ 6,158,945

Developers within the District have constructed water, sewer, drainage and recreational facilities on behalf of the District under the terms of contracts with the District. The District has agreed to purchase these facilities from the proceeds of future bond issues subject to the approval of the Commission. At June 30, 2020, a liability for developer-constructed capital assets of $3,726,685 was recorded in the government-wide financial statements.

Debt

The changes in the debt position of the District during the fiscal year ended June 30, 2020, are summarized as follows:

Long-term debt payable, beginning of year	$	84,407,113
Increases in long-term debt		7,921,968
Decreases in long-term debt		(7,065,278)
Long-term debt payable, end of year	$	85,263,803

During the fiscal year ended June 30, 2020, the District issued $2,045,000 in unlimited tax refunding bonds to refund $1,900,000 of outstanding Series 2012 bonds. The District refunded the bonds to reduce total debt service payments over future years by $352,548 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $255,933.

At June 30, 2020, the District had $105,405,000 of unlimited tax bonds authorized, but unissued, for the purposes of acquiring, constructing and improving its water, sanitary sewer and drainage systems and $7,000,000 of unlimited tax bonds authorized, but unissued, for the purpose of acquiring, constructing and improving recreational facilities.

The District's bonds carry underlying ratings of "BBB+" from Standard & Poor's or "A2" from Moody's Investors Service. The Series 2011, 2014A, 2014B and 2016 bonds carry a "AA" rating from Standard & Poor's by virtue of bond insurance issued by Assured Guaranty Municipal Corp., the Series 2013, 2015 refunding and 2018A refunding bonds carry a "AA" rating from Standard & Poor's by virtue of bond insurance issued by Municipal Assurance Corp., and the Series 2013 refunding, 2014 refunding, 2017 refunding, 2017A, 2018, 2019 refunding and 2019 bonds carry a "AA" rating from Standard & Poor's by virtue of bond insurance issued by Build America Mutual Assurance Company.

Other Relevant Factors

Relationship to the City of Houston

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City of Houston (the City), the District must conform to the City ordinance consenting to the creation of the District. In addition, the District may be annexed by the City for full purposes except as set forth below.

Effective December 13, 2010, and as amended December 10, 2015, the District entered into a Strategic Partnership Agreement (the Agreement) with the City, which annexed certain portions of the District into the City for "limited purposes," as described therein. Under the terms of the Agreement, the City has agreed it will not annex the District as a whole for full purposes for 30 years, at which time the City has the option to annex the District if it chooses to do so.

Contingencies

Developers of the District are constructing water, sewer and drainage facilities within the boundaries of the District. The District has agreed to reimburse the developers for a portion of these costs, plus interest, from the proceeds of future bond sales to the extent approved by the Commission. The District's engineer has stated current construction contract amounts are approximately $513,850. This amount has not been recorded in the financial statements since the facilities are not complete or operational.

Subsequent Events

On July 29, 2020, the District issued $7,435,000 in unlimited tax refunding bonds to refund $4,100,000 of outstanding Series 2013 bonds and $3,070,000 of outstanding Series 2013 refunding bonds. The District refunded the bonds to reduce total debt service payments over future years by $1,832,066 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $1,417,774.

On August 20, 2020, the District issued its Series 2020A unlimited tax bonds in the amount of $27,400,000 at a net effective interest rate of approximately 2.58 percent. The bonds were sold to finance construction projects within the District.

On October 30, 2020, the District issued its Series 2020B unlimited tax bonds in the amount of $2,530,000 at a net effective interest rate of approximately 2.53 percent. The bonds were sold to purchase facilities from the District's developers.

Fort Bend County Municipal Utility District No. 142
Statement of Net Position and Governmental Funds Balance Sheet
June 30, 2020

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets						
Cash	$ 285,845	$ 119,781	$ 100	$ 405,726	$ -	$ 405,726
Certificates of deposit	3,120,000	2,880,000	-	6,000,000	-	6,000,000
Short-term investments	6,663,565	6,054,960	1,444,595	14,163,120	-	14,163,120
Receivables:						
Property taxes	27,537	103,205	-	130,742	-	130,742
Service accounts	331,991	-	-	331,991	-	331,991
Tax rebates	10,283	-	-	10,283	8,152	18,435
Accrued penalty and interest	-	-	-	-	32,971	32,971
Accrued interest	25,884	33,324	-	59,208	-	59,208
Interfund receivable	157,066	-	-	157,066	(157,066)	-
Due from others	22,339	-	-	22,339	32,123	54,462
Prepaid expenditures	55,654	-	-	55,654	-	55,654
Capital assets (net of accumulated depreciation):						
Land and improvements	-	-	-	-	18,261,363	18,261,363
Construction in progress	-	-	-	-	5,506,291	5,506,291
Infrastructure	-	-	-	-	43,513,180	43,513,180
Recreational facilities	-	-	-	-	2,207,759	2,207,759
Total assets	10,700,164	9,191,270	1,444,695	21,336,129	69,404,773	90,740,902
Deferred Outflows of Resources						
Deferred amount on debt refundings	0	0	0	0	2,477,256	2,477,256
Total assets and deferred outflows of resources	$ 10,700,164	$ 9,191,270	$ 1,444,695	$ 21,336,129	$ 71,882,029	$ 93,218,158

Fort Bend County Municipal Utility District No. 142

Statement of Net Position and Governmental Funds Balance Sheet (Continued)

June 30, 2020

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Liabilities						
Accounts payable	$ 586,110	$ 5,319	$ 52,070	$ 643,499	$ -	$ 643,499
Accrued interest payable	-	-	-	-	1,008,531	1,008,531
Retainage payable	6,255	-	109,450	115,705	-	115,705
Customer deposits	536,495	-	-	536,495	-	536,495
Due to others	46,750	-	-	46,750	-	46,750
Unearned tap connection fees	11,000	-	-	11,000	-	11,000
Interfund payable	-	48,412	108,654	157,066	(157,066)	-
Long-term liabilities:						
Due within one year	-	-	-	-	1,955,000	1,955,000
Due after one year	-	-	-	-	83,308,803	83,308,803
Total liabilities	1,186,610	53,731	270,174	1,510,515	86,115,268	87,625,783
Deferred Inflows of Resources						
Deferred property tax revenues	27,537	103,205	0	130,742	(130,742)	0
Fund Balances/Net Position						
Fund balances:						
Nonspendable, prepaid expenditures	55,654	-	-	55,654	(55,654)	-
Restricted:						
Unlimited tax bonds	-	9,034,334	-	9,034,334	(9,034,334)	-
Water, sewer and drainage	-	-	1,174,521	1,174,521	(1,174,521)	-
Assigned, future expenditures	1,245,000	-	-	1,245,000	(1,245,000)	-
Unassigned	8,185,363	-	-	8,185,363	(8,185,363)	-
Total fund balances	9,486,017	9,034,334	1,174,521	19,694,872	(19,694,872)	0
Total liabilities, deferred inflows of resources and fund balances	$ 10,700,164	$ 9,191,270	$ 1,444,695	$ 21,336,129		
Net position:						
Net investment in capital assets					(12,398,236)	(12,398,236)
Restricted for debt service					8,161,979	8,161,979
Restricted for capital projects					268,548	268,548
Unrestricted					9,560,084	9,560,084
Total net position					$ 5,592,375	$ 5,592,375

Fort Bend County Municipal Utility District No. 142

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

Year Ended June 30, 2020

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues						
Property taxes	$ 1,326,529	$ 5,306,128	$ -	$ 6,632,657	$ 11,842	$ 6,644,499
City of Houston rebate	55,756	-	-	55,756	3,943	59,699
Water service	1,138,664	-	-	1,138,664	-	1,138,664
Sewer service	1,634,353	-	-	1,634,353	-	1,634,353
Regional water fee	1,559,156	-	-	1,559,156	-	1,559,156
Penalty and interest	126,045	57,061	-	183,106	6,277	189,383
Tap connection and inspection fees	812,177	-	-	812,177	-	812,177
Investment income	181,303	141,752	44,641	367,696	-	367,696
Other income	114,740	-	-	114,740	-	114,740
Total revenues	6,948,723	5,504,941	44,641	12,498,305	22,062	12,520,367
Expenditures/Expenses						
Service operations:						
Purchased services	1,480,225	-	-	1,480,225	-	1,480,225
Regional water fee	178,628	-	-	178,628	-	178,628
Lease payments	785,448	-	-	785,448	-	785,448
Professional fees	299,574	13,601	-	313,175	17,443	330,618
Contracted services	1,117,976	119,402	-	1,237,378	1,572	1,238,950
Utilities	168,166	-	-	168,166	-	168,166
Repairs and maintenance	1,563,652	-	-	1,563,652	-	1,563,652
Other expenditures	263,910	30,396	92	294,398	1,225	295,623
Tap connections	317,514	-	-	317,514	-	317,514
Capital outlay	339,141	-	4,828,437	5,167,578	(5,167,578)	-
Depreciation	-	-	-	-	1,763,065	1,763,065
Debt service:						
Principal retirement	-	1,810,000	-	1,810,000	(1,810,000)	-
Interest and fees	-	2,977,280	-	2,977,280	150,105	3,127,385
Debt issuance costs	-	112,054	365,307	477,361	-	477,361
Debt defeasance	-	37,000	-	37,000	(37,000)	-
Total expenditures/expenses	6,514,234	5,099,733	5,193,836	16,807,803	(5,081,168)	11,726,635
Excess (Deficiency) of Revenues Over Expenditures	434,489	405,208	(5,149,195)	(4,309,498)	5,103,230	

Fort Bend County Municipal Utility District No. 142

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

Year Ended June 30, 2020

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Other Financing Sources (Uses)						
General obligation bonds issued	$ -	$ 2,045,000	$ 2,825,000	$ 4,870,000	$ (4,870,000)	
Discount on debt issued	-	(16,659)	(41,153)	(57,812)	57,812	
Deposit with escrow agent	-	(1,908,075)	-	(1,908,075)	1,908,075	
Total other financing sources	0	120,266	2,783,847	2,904,113	(2,904,113)	
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	434,489	525,474	(2,365,348)	(1,405,385)	1,405,385	
Change in Net Position					793,732	$ 793,732
Fund Balances/Net Position						
Beginning of year	9,051,528	8,508,860	3,539,869	21,100,257	-	4,798,643
End of year	$ 9,486,017	$ 9,034,334	$ 1,174,521	$ 19,694,872	$ 0	$ 5,592,375

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

Fort Bend County Municipal Utility District No. 142 (the District) was created by an order of the Texas Commission on Environmental Quality (the Commission), effective July 25, 2003, in accordance with the Texas Water Code, Chapter 54. The District held its first meeting on September 2, 2003. The District operates in accordance with Chapters 49 and 54 of the Texas Water Code and is subject to the continuing supervision of the Commission. The principal functions of the District are to finance, construct, own and operate waterworks, wastewater, drainage and recreational facilities and to provide such facilities and services to the customers of the District.

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

Reporting Entity

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

Government-wide and Fund Financial Statements

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

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

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

The District presents the following major governmental funds:

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

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

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

Fund Balances – Governmental Funds

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

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

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

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

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

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

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

Measurement Focus and Basis of Accounting

Government-wide Financial Statements

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

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

Fund Financial Statements

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

Deferred Outflows and Inflows of Resources

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

Interfund Transactions

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

Pension Costs

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

Use of Estimates

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

Investments and Investment Income

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

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

Property Taxes

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

In the governmental funds, property taxes are initially recorded as receivables and deferred inflows of resources at the time the tax levy is billed. Revenues recognized during the fiscal year ended June 30, 2020, include collections during the current period or within 60 days of year-end related to the 2019 and prior years' tax levies.

In the government-wide statement of net position, property taxes are considered earned in the budget year for which they are levied. For the District's fiscal year ended June 30, 2020, the 2019 tax levy is considered earned during the current fiscal year. In addition to property taxes levied, any delinquent taxes are recorded net of amounts considered uncollectible.

Capital Assets

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

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

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

	Years
Water production and distribution facilities	10-45
Wastewater collection and treatment facilities	10-45
Drainage facilities	10-45
Recreational facilities	5-20

Deferred Amount on Debt Refundings

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

Debt Issuance Costs

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

Long-term Obligations

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

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

Net Position/Fund Balances

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

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

Reconciliation of Government-wide and Fund Financial Statements

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

Capital assets used in governmental activities are not financial resources and are not reported in the funds.	$	69,488,593
Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements.		130,742
Penalty and interest on delinquent taxes is not receivable in the current period and is not reported in the funds.		32,971
Tax rebates are not receivable in the current period and are not reported in the funds.		8,152
Deferred amount on debt refundings for governmental activities are not financial resources and are not reported in the funds.		2,477,256

Amount due from others is not receivable in the current period and is not reported in the funds.	$	32,123
Accrued interest on long-term liabilities is not payable with current financial resources and is not reported in the funds.		(1,008,531)
Long-term debt obligations are not due and payable in the current period and are not reported in the funds.		(85,263,803)
Adjustment to fund balances to arrive at net position.	$	(14,102,497)

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

Change in fund balances.	$	(1,405,385)
Governmental funds report capital outlays as expenditures. However, for government-wide financial statements, the cost of capitalized assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay expenditures exceeded depreciation and noncapitalized costs in the current period.		3,384,273
Governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		57,812
Governmental funds report proceeds from the sales of bonds because they provide current financial resources to governmental funds. Principal payments on debt are reported as expenditures. None of the transactions, however, have any effect on net position.		(1,114,925)
Revenues that do not provide current financial resources are not reported as revenues for the funds, but are reported as revenues in the statement of activities.		22,062
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(150,105)
Change in net position of governmental activities.	$	793,732

Note 2: Deposits, Investments and Investment Income

Deposits

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

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

At June 30, 2020, none of the District's bank balances were exposed to custodial credit risk.

Investments

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

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

The District invests in Texas CLASS, an external investment pool that is not registered with the Securities and Exchange Commission. A Board of Trustees, elected by the participants, has oversight of Texas CLASS. The District's investments may be redeemed at any time. Texas CLASS attempts to minimize its exposure to market and credit risk through the use of various strategies and credit monitoring techniques and limits its investments in any issuer to the top two ratings issued by nationally recognized statistical rating organizations.

At June 30, 2020, the District had the following investments and maturities.

Type	Fair Value	Maturities in Years: Less Than 1	1-5	6-10	More Than 10
Texas CLASS	$ 14,163,120	$ 14,163,120	$ 0	$ 0	$ 0

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

Credit Risk. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2020, the District's investments in Texas CLASS were rated "AAAm" by Standard & Poor's.

Summary of Carrying Values

The carrying values of deposits and investments shown previously are included in the balance sheet at June 30, 2020, as follows:

Carrying value:	
Deposits	$ 6,405,726
Investments	14,163,120
Total	$ 20,568,846

Included in the following statement of net position captions:

Cash	$ 405,726
Certificates of deposit	6,000,000
Short-term investments	14,163,120
Total	$ 20,568,846

Investment Income

Investment income of $367,696 for the year ended June 30, 2020, consisted of interest income.

Fair Value Measurements

The District has the following recurring fair value measurements as of June 30, 2020:

- Pooled investments of $14,163,120 are valued at fair value per share of the pool's underlying portfolio.

Note 3: Capital Assets

A summary of changes in capital assets for the year ended June 30, 2020, is presented as follows:

Governmental Activities	Balances, Beginning of Year	Additions	Retirements/ Reclassi- fications	Balances, End of Year
Capital assets, non-depreciable:				
Land and improvements	$ 19,605,608	$ -	$ (1,344,245)	$ 18,261,363
Construction in progress	3,079,219	2,462,506	(35,434)	5,506,291
Total capital assets, non-depreciable	22,684,827	2,462,506	(1,379,679)	23,767,654
Capital assets, depreciable:				
Water production and distribution facilities	12,818,120	576,695	-	13,394,815
Wastewater collection and treatment facilities	17,899,070	1,194,606	35,434	19,129,110
Drainage facilities	22,472,939	1,925,138	-	24,398,077
Recreational facilities	4,646,760	-	-	4,646,760
Total capital assets, depreciable	57,836,889	3,696,439	35,434	61,568,762
Less accumulated depreciation:				
Water production and distribution facilities	(3,250,113)	(360,425)	-	(3,610,538)
Wastewater collection and treatment facilities	(3,722,316)	(510,612)	-	(4,232,928)
Drainage facilities	(4,976,752)	(588,604)	-	(5,565,356)
Recreational facilities	(2,135,577)	(303,424)	-	(2,439,001)
Total accumulated depreciation	(14,084,758)	(1,763,065)	0	(15,847,823)
Total governmental activities, net	$ 66,436,958	$ 4,395,880	$ (1,344,245)	$ 69,488,593

Note 4: Long-term Liabilities

Changes in long-term liabilities for the year ended June 30, 2020, were as follows:

Governmental Activities	Balances, Beginning of Year	Increases	Decreases	Balances, End of Year	Amounts Due in One Year
Long-term liabilities:					
General obligation bonds	$ 80,970,000	$ 4,870,000	$ 3,710,000	$ 82,130,000	$1,955,000
Add premiums on bonds	443,348	-	26,115	417,233	-
Less discounts on bonds	1,033,435	57,812	81,132	1,010,115	-
	80,379,913	4,812,188	3,654,983	81,537,118	1,955,000
Due to developers	4,027,200	3,109,780	3,410,295	3,726,685	-
Total governmental activities long-term liabilities	$ 84,407,113	$ 7,921,968	$ 7,065,278	$ 85,263,803	$1,955,000

General Obligation Bonds

	Series 2011	Series 2011A
Amounts outstanding, June 30, 2020	$80,000	$25,000
Interest rates	4.00%	4.00%
Maturity dates, serially beginning/ending	September 1, 2020	September 1, 2020
Interest payment dates	September 1/ March 1	September 1/ March 1
Callable dates*	September 1, 2018	September 1, 2018

	Series 2012	Refunding Series 2013
Amounts outstanding, June 30, 2020	$25,000	$4,060,000
Interest rates	4.00%	3.00% to 4.00%
Maturity dates, serially beginning/ending	September 1, 2020	September 1, 2020/2033
Interest payment dates	September 1/ March 1	September 1/ March 1
Callable dates*	September 1, 2019	September 1, 2020

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

	Series 2013	Refunding Series 2014
Amounts outstanding, June 30, 2020	$4,150,000	$3,010,000
Interest rates	3.00% to 5.00%	3.00% to 4.00%
Maturity dates, serially beginning/ending	September 1, 2020/2039	September 1, 2020/2027
Interest payment dates	September 1/ March 1	September 1/ March 1
Callable dates*	September 1, 2020	September 1, 2021

	Series 2014A	Series 2014B
Amounts outstanding, June 30, 2020	$3,510,000	$2,240,000
Interest rates	3.00% to 4.00%	3.25% to 5.00%
Maturity dates, serially beginning/ending	September 1, 2024/2040	September 1, 2020/2040
Interest payment dates	September 1/ March 1	September 1/ March 1
Callable dates*	September 1, 2021	September 1, 2021

	Refunding Series 2015	Series 2016
Amounts outstanding, June 30, 2020	$24,445,000	$6,275,000
Interest rates	2.00% to 4.00%	2.000% to 3.625%
Maturity dates, serially beginning/ending	September 1, 2020/2036	September 1, 2020/2042
Interest payment dates	September 1/ March 1	September 1/ March 1
Callable dates*	September 1, 2022	September 1, 2023

	Refunding Series 2017	Series 2017A
Amounts outstanding, June 30, 2020	$7,890,000	$10,625,000
Interest rates	3.375% to 4.000%	3.25% to 5.00%
Maturity dates, serially beginning/ending	September 1, 2020/2036	September 1, 2020/2045
Interest payment dates	September 1/ March 1	September 1/ March 1
Callable dates*	September 1, 2024	September 1, 2024

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

	Series 2018	Refunding Series 2018A
Amounts outstanding, June 30, 2020	$8,370,000	$2,555,000
Interest rates	3.00% to 4.00%	4.00%
Maturity dates, serially beginning/ending	September 1, 2020/2046	September 1, 2020/2037
Interest payment dates	September 1/ March 1	September 1/ March 1
Callable dates*	September 1, 2023	September 1, 2023

	Refunding Series 2019	Series 2019
Amounts outstanding, June 30, 2020	$2,045,000	$2,825,000
Interest rates	2.00% to 3.00%	3.00%
Maturity dates, serially beginning/ending	September 1, 2020/2037	September 1, 2043/2046
Interest payment dates	September 1/ March 1	September 1/ March 1
Callable dates*	September 1, 2024	September 1, 2024

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

Annual Debt Service Requirements

The following schedule shows the annual debt service requirements to pay principal and interest on general obligation bonds outstanding at June 30, 2020:

Year	Principal	Interest	Total
2021	$ 1,955,000	$ 2,989,882	$ 4,944,882
2022	2,055,000	2,918,817	4,973,817
2023	2,170,000	2,843,870	5,013,870
2024	2,265,000	2,760,630	5,025,630
2025	2,375,000	2,670,631	5,045,631
2026-2030	13,230,000	11,949,577	25,179,577
2031-2035	16,050,000	9,350,469	25,400,469
2036-2040	16,380,000	6,256,147	22,636,147
2041-2045	17,725,000	3,049,962	20,774,962
2046-2047	7,925,000	302,113	8,227,113
Total	$ 82,130,000	$ 45,092,098	$ 127,222,098

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

Bonds voted:	
Water, sewer and drainage facilities	$ 192,840,000
Recreational facilities	12,100,000
Refunding bonds	118,440,000
Bonds sold:	
Water, sewer and drainage facilities	87,435,000
Recreational facilities	5,100,000
Refunding bond authorization used	2,780,000

The District has issued $48,865,000 of refunding bonds; however, of such amount, $2,780,000 has been applied to the voter-authorized bonds and the remaining $46,085,000 has been issued pursuant to Chapter 1207 of the Texas Government Code.

Due to Developers

Developers of the District have constructed water, sewer, drainage and recreational facilities on behalf of the District. The District is maintaining and operating the facilities and has agreed to reimburse the developers for these construction costs and interest to the extent approved by the Commission. The District's engineer estimates reimbursable costs for completed projects are $3,726,685. These amounts have been recorded in the financial statements as long-term liabilities.

Note 5: Significant Bond Order and Commission Requirements

The Bond Orders require that the District levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due. During the year ended June 30, 2020, the District levied an ad valorem debt service tax at the rate of $0.6000 per $100 of assessed valuation, which resulted in a tax levy of $5,318,491 on the taxable valuation of $886,416,476 for the 2019 tax year. The interest and principal requirements to be paid from the tax revenues are $4,976,244, of which $1,508,447 has been paid and $3,467,797 is due September 1, 2020.

Note 6: Maintenance Taxes

At an election held February 7, 2004, voters authorized a maintenance tax not to exceed $1.50 per $100 valuation on all property within the District subject to taxation. During the year ended June 30, 2020, the District levied an ad valorem maintenance tax at the rate of $0.1500 per $100 of assessed valuation, which resulted in a tax levy of $1,329,623 on the taxable valuation of $886,416,476 for the 2019 tax year. The maintenance tax is being used by the general fund to pay expenditures of operating the District.

At an election held May 15, 2004, voters authorized a maintenance tax for recreational purposes not to exceed $0.10 per $100 valuation on all property within the District subject to taxation. During the year ended June 30, 2020, the District did not levy a maintenance tax for recreational purposes.

Note 7: Strategic Partnership Agreement

Effective December 13, 2010, and as amended December 10, 2015, the District and the City of Houston (the City) entered into a Strategic Partnership Agreement (the Agreement) under which the City annexed a tract of land (the tract) within the boundaries of the District for limited purposes. The District continues to exercise all powers and functions of a municipal utility district as provided by law. As consideration for the District providing services as detailed in the Agreement, the City agrees to remit one-half of all City sales and use tax revenues generated within the boundaries of the tract. As consideration for the sales and use tax payments by the City, the District agrees to continue to provide and develop water, sewer and drainage services within the District in lieu of full-purpose annexation. The City agrees it will not annex the District for full purposes or commence any action to annex the District during the term of the Agreement, which is 30 years. During the current year, the District recorded $59,699 in revenues related to the Agreement.

Note 8: Lease Agreements

Effective September 9, 2014, the District entered into a lease agreement with an option to purchase equipment and accessories necessary for a 900,000 gallons-per-day wastewater treatment plant, including two previously constructed 400,000 gallons-per-day plants. Monthly lease payments for equipment are $44,654 per month, to be paid over a 60-month period following substantial completion of the plant, which occurred in April 2017. The last month's payment was paid in a prior year and is recorded in prepaid expenditures. At the end of the 60-month term, the District has the option to extend the lease on a month-to-month basis, with monthly payments of $39,000. During the current year, the District recorded costs of $535,848 under this agreement.

In addition, during the year ended June 30, 2017, the District began Phase 1 of a lease agreement with an option to purchase another 100,000 gallons-per-day wastewater treatment plant. Monthly lease payments are $11,000 per month beginning in April 2017, to be paid over a 60-month period. At the end of the 60-month term, the District may extend the lease on a month-to-month basis with monthly payments of $8,800. During the current year, the District recorded costs of $132,000 under Phase 1 of this agreement. On May 1, 2019, the District began Phase 2 of the same lease agreement, which increases the capacity by another 200,000 gallons-per-day. Monthly lease payments for Phase 2 are $9,800 per month. These lease payments are to be paid over a 36-month period. At the end of the 36-month term, the District may extend the lease on a month-to-month basis with monthly payments of $7,900. During the current year, the District recorded costs of $117,600 under Phase 2 of this agreement.

At June 30, 2020, the District has recorded $55,654 as prepaid expenditures under all leases. Future minimum lease payments under all leases are as follows:

2021	$	785,448
2022		598,886
	$	1,384,334

Note 9: Regional Water Authority

The District is within the boundaries of the North Fort Bend Water Authority (the Authority), which was created by the Texas Legislature to provide a regional entity to acquire surface water and build the necessary facilities to convert from groundwater to surface water in order to meet conversion requirements mandated by the Fort Bend Subsidence District, which regulates groundwater withdrawal. As of June 30, 2020, the Authority was billing the District $3.95 per 1,000 gallons of water pumped from its wells and $4.30 per 1,000 gallons of surface water delivered. These amounts are subject to future increases.

Note 10: Risk Management

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

Note 11: Contingencies

Developers of the District are constructing water, sewer and drainage facilities within the boundaries of the District. The District has agreed to reimburse the developers for a portion of these costs, plus interest, from the proceeds of future bond sales to the extent approved by the Commission. The District's engineer has stated current construction contract amounts are approximately $513,850. This amount has not been recorded in the financial statements since the facilities are not complete or operational.

Note 12: Refunding Bonds

During the fiscal year ended June 30, 2020, the District issued $2,045,000 in unlimited tax refunding bonds to refund $1,900,000 of outstanding Series 2012 bonds. The District refunded the bonds to reduce total debt service payments over future years by $352,548 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $255,933.

Note 13: Subsequent Events

On July 29, 2020, the District issued $7,435,000 in unlimited tax refunding bonds to refund $4,100,000 of outstanding Series 2013 bonds and $3,070,000 of outstanding Series 2013 refunding bonds. The District refunded the bonds to reduce total debt service payments over future years by $1,832,066 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $1,417,774.

On August 20, 2020, the District issued its Series 2020A unlimited tax bonds in the amount of $27,400,000 at a net effective interest rate of approximately 2.58 percent. The bonds were sold to finance construction projects within the District.

On October 30, 2020, the District issued its Series 2020B unlimited tax bonds in the amount of $2,530,000 at a net effective interest rate of approximately 2.53 percent. The bonds were sold to purchase facilities from the District's developers.

Note 14: Uncertainties

As a result of the spread of the SARS-CoV-2 virus and the incidence of COVID-19, economic uncertainties have arisen which may negatively affect the financial position and results of operations of the District. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

Required Supplementary Information

Fort Bend County Municipal Utility District No. 142

Budgetary Comparison Schedule – General Fund

Year Ended June 30, 2020

	Original Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	$ 1,127,700	$ 1,326,529	$ 198,829
City of Houston rebates	56,400	55,756	(644)
Water service	1,126,800	1,138,664	11,864
Sewer service	1,537,000	1,634,353	97,353
Regional water fee	1,537,000	1,559,156	22,156
Penalty and interest	143,100	126,045	(17,055)
Tap connection and inspection fees	387,800	812,177	424,377
Investment income	184,900	181,303	(3,597)
Other income	44,000	114,740	70,740
Total revenues	6,144,700	6,948,723	804,023
Expenditures			
Service operations:			
Purchased services	1,337,000	1,480,225	(143,225)
Regional water fee	200,000	178,628	21,372
Lease payments	726,700	785,448	(58,748)
Professional fees	326,800	299,574	27,226
Contracted services	1,041,000	1,117,976	(76,976)
Utilities	186,300	168,166	18,134
Repairs and maintenance	1,255,100	1,563,652	(308,552)
Other expenditures	275,850	263,910	11,940
Tap connections	150,000	317,514	(167,514)
Capital outlay	263,200	339,141	(75,941)
Total expenditures	5,761,950	6,514,234	(752,284)
Excess of Revenues Over Expenditures	382,750	434,489	51,739
Fund Balance, Beginning of Year	9,051,528	9,051,528	-
Fund Balance, End of Year	$ 9,434,278	$ 9,486,017	$ 51,739

Fort Bend County Municipal Utility District No. 142

Notes to Required Supplementary Information

June 30, 2020

Budgets and Budgetary Accounting

An annual operating budget is prepared for the general fund by the District's consultants. The budget reflects resources expected to be received during the year and expenditures expected to be incurred. The Board of Directors is required to adopt the budget prior to the start of its fiscal year. The budget is not a spending limitation (a legally restricted appropriation). The original budget of the general fund was not amended during fiscal 2020.

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

Other Information

Fort Bend County Municipal Utility District No. 142
Other Schedules Included Within This Report
June 30, 2020

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

[X] Notes Required by the Water District Accounting Manual
See "Notes to Financial Statements," Pages 14-30

[X] Schedule of Services and Rates

[X] Schedule of General Fund Expenditures

[X] Schedule of Temporary Investments

[X] Analysis of Taxes Levied and Receivable

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

[X] Changes in Long-term Bonded Debt

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

[X] Board Members, Key Personnel and Consultants

Fort Bend County Municipal Utility District No. 142

Schedule of Services and Rates

Year Ended June 30, 2020

1. Services provided by the District:

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

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

___ Other ______

2. Retail service providers

a. Retail rates for a 5/8" meter (or equivalent):

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate Per 1,000 Gallons Over Minimum	Usage Levels		
Water:	$ 20.00	10,000	N	$ 2.00	10,001	to	15,000
				$ 3.00	15,001	to	20,000
				$ 4.00	20,001	to	25,000
				$ 5.00	25,001	to	No Limit
Wastewater:	$ 37.85	0	Y				
Regional water fee:	$ 4.35	1	N	$ 4.35	1,001	to	No Limit

Does the District employ winter averaging for wastewater usage? Yes ___ No X

Total charges per 10,000 gallons usage (including fees): Water $ 63.50 Wastewater $ 37.85

b. Water and wastewater retail connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC*
Unmetered	-	-	x1.0	-
≤ 3/4"	3,241	3,222	x1.0	3,222
1"	533	531	x2.5	1,328
1 1/2"	7	7	x5.0	35
2"	73	71	x8.0	568
3"	1	1	x15.0	15
4"	1	1	x25.0	25
6"	5	5	x50.0	250
8"	1	1	x80.0	80
10"	-	-	x115.0	-
Total water	3,862	3,839		5,523
Total wastewater	3,749	3,729	x1.0	3,729

3. Total water consumption (in thousands) during the fiscal year:

Gallons pumped into the system:	409,752
Gallons billed to customers:	391,689
Water accountability ratio (gallons billed/gallons pumped):	95.59%

*"ESFC" means equivalent single-family connections

Fort Bend County Municipal Utility District No. 142

Schedule of General Fund Expenditures

Year Ended June 30, 2020

Personnel (including benefits)		$ -
Professional Fees		
Auditing	$ 22,300	
Legal	143,083	
Engineering	134,191	
Financial advisor	-	299,574
Purchased Services for Resale		
Bulk water and wastewater service purchases		1,480,225
Regional Water Fee		178,628
Contracted Services		
Bookkeeping	41,715	
General manager	-	
Appraisal district	-	
Tax collector	-	
Security	-	
Other contracted services	219,792	261,507
Utilities		168,166
Repairs and Maintenance		1,563,652
Administrative Expenditures		
Directors' fees	13,050	
Office supplies	16,500	
Insurance	39,629	
Other administrative expenditures	177,451	246,630
Capital Outlay		
Capitalized assets	305,794	
Expenditures not capitalized	33,347	339,141
Lease Payments		785,448
Tap Connection Expenditures		317,514
Solid Waste Disposal		856,469
Fire Fighting		-
Debt Issuance Costs		-
Other Expenditures		17,280
Total expenditures		$ 6,514,234

Fort Bend County Municipal Utility District No. 142
Schedule of Temporary Investments
June 30, 2020

	Interest Rate	Maturity Date	Face Amount	Accrued Interest Receivable
General Fund				
Certificates of Deposit				
No. 5000020445	0.85%	04/27/21	$ 240,000	$ 374
No. 66000966	1.70%	11/24/20	240,000	2,493
No. 11910	2.22%	09/11/20	240,000	4,262
No. 440010285	1.65%	02/17/21	240,000	1,443
No. 102322	1.98%	12/25/20	240,000	2,435
No. 4188487	1.60%	01/15/21	240,000	1,389
No. 3116002848	2.60%	07/16/20	240,000	5,949
No. 6000037967	2.10%	08/25/20	240,000	4,267
No. 9009010301	0.75%	05/12/21	240,000	242
No. 91300011918728	0.70%	04/29/21	240,000	285
No. 304	1.80%	02/18/21	240,000	1,562
No. 307405	1.14%	03/25/21	240,000	727
No. 12707	1.10%	04/28/21	240,000	456
Texas CLASS	0.56%	Demand	3,315,786	-
Texas CLASS	0.56%	Demand	3,347,779	-
			9,783,565	25,884

Fort Bend County Municipal Utility District No. 142

Schedule of Temporary Investments (Continued)

June 30, 2020

	Interest Rate	Maturity Date	Face Amount	Accrued Interest Receivable
Debt Service Fund				
Certificates of Deposit				
No. 91300011896563	2.75%	08/18/20	$ 240,000	$ 5,696
No. 6762973594	2.05%	08/20/20	240,000	4,232
No. 66000929	2.10%	08/19/20	240,000	4,336
No. 71133222	1.75%	02/26/21	240,000	1,427
No. 11986	1.70%	02/15/21	240,000	1,509
No. 440005444	1.65%	02/17/21	240,000	1,443
No. 4188894	1.70%	02/17/21	240,000	1,498
No. 2000000040	1.75%	02/15/21	240,000	1,565
No. 13247	1.79%	02/18/21	240,000	1,554
No. 6000018124	2.10%	08/18/20	240,000	4,349
No. 6907	2.00%	08/20/20	240,000	4,129
No. 6002400378	1.80%	02/17/21	240,000	1,586
Texas CLASS	0.56%	Demand	6,054,960	-
			8,934,960	33,324
Capital Projects Fund				
Texas CLASS	0.56%	Demand	621,899	-
Texas CLASS	0.56%	Demand	745,139	-
Texas CLASS	0.56%	Demand	77,557	-
			1,444,595	0
Totals			$ 20,163,120	$ 59,208

Fort Bend County Municipal Utility District No. 142

Analysis of Taxes Levied and Receivable

Year Ended June 30, 2020

	Maintenance Taxes	Debt Service Taxes
Receivable, Beginning of Year	$ 25,187	$ 93,713
Additions and corrections to prior years' taxes	(744)	(2,871)
Adjusted receivable, beginning of year	24,443	90,842
2019 Original Tax Levy	1,322,971	5,291,885
Additions and corrections	6,652	26,606
Adjusted tax levy	1,329,623	5,318,491
Total to be accounted for	1,354,066	5,409,333
Tax collections: Current year	(1,312,304)	(5,249,217)
Prior years	(14,225)	(56,911)
Receivable, end of year	$ 27,537	$ 103,205
Receivable, by Years		
2019	$ 17,319	$ 69,274
2018	3,165	12,659
2017	2,298	9,191
2016	1,789	6,316
2015	1,156	2,774
2014	1,574	2,165
2013	221	775
2012	15	51
Receivable, end of year	$ 27,537	$ 103,205

Fort Bend County Municipal Utility District No. 142

Analysis of Taxes Levied and Receivable (Continued)

Year Ended June 30, 2020

	2019	2018	2017	2016
Property Valuations				
Land	$ 198,691,700	$ 182,974,330	$ 170,269,700	$ 162,811,390
Improvements	722,051,073	685,048,917	634,544,522	602,543,490
Personal property	9,781,640	8,372,700	7,766,360	6,654,240
Exemptions	(44,107,937)	(40,573,743)	(12,635,188)	(17,671,675)
Total property valuations	$ 886,416,476	$ 835,822,204	$ 799,945,394	$ 754,337,445
Tax Rates per $100 Valuation				
Debt service tax rates	$ 0.6000	$ 0.6000	$ 0.6000	$ 0.6000
Maintenance tax rates*	0.1500	0.1500	0.1500	0.1700
Total tax rates per $100 valuation	$ 0.7500	$ 0.7500	$ 0.7500	$ 0.7700
Tax Levy	$ 6,648,114	$ 6,268,658	$ 5,999,584	$ 5,808,383
Percent of Taxes Collected to Taxes Levied**	98%	99%	99%	99%

*Maximum tax rate approved by voters: $1.50 on February 7, 2004

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

Fort Bend County Municipal Utility District No. 142

Schedule of Long-term Debt Service Requirements by Years

June 30, 2020

	Series 2011		
Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1, March 1	Total
2021	$ 80,000	$ 1,600	$ 81,600

Fort Bend County Municipal Utility District No. 142
Schedule of Long-term Debt Service Requirements by Years (Continued)
June 30, 2020

	Series 2011A		
Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1, March 1	Total
2021	$ 25,000	$ 500	$ 25,500

Fort Bend County Municipal Utility District No. 142

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

June 30, 2020

	Series 2012		
Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1, March 1	Total
2021	$ 25,000	$ 500	$ 25,500

Fort Bend County Municipal Utility District No. 142
Schedule of Long-term Debt Service Requirements by Years (Continued)
June 30, 2020

	Refunding Series 2013		
Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1, March 1	Total
2021	$ 485,000	$ 139,150	$ 624,150
2022	505,000	124,300	629,300
2023	520,000	108,925	628,925
2024	175,000	98,063	273,063
2025	185,000	91,300	276,300
2026	195,000	83,700	278,700
2027	210,000	75,600	285,600
2028	215,000	67,100	282,100
2029	230,000	58,200	288,200
2030	240,000	48,800	288,800
2031	255,000	38,900	293,900
2032	270,000	28,400	298,400
2033	280,000	17,400	297,400
2034	295,000	5,900	300,900
Totals	$ 4,060,000	$ 985,738	$ 5,045,738

Fort Bend County Municipal Utility District No. 142

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

June 30, 2020

Due During Fiscal Years Ending June 30	Series 2013 Principal Due September 1	Series 2013 Interest Due September 1, March 1	Series 2013 Total
2021	$ 25,000	$ 200,763	$ 225,763
2022	25,000	200,012	225,012
2023	50,000	198,888	248,888
2024	50,000	197,287	247,287
2025	50,000	195,563	245,563
2026	50,000	193,750	243,750
2027	50,000	191,812	241,812
2028	50,000	189,813	239,813
2029	50,000	187,750	237,750
2030	50,000	185,594	235,594
2031	50,000	183,375	233,375
2032	50,000	181,062	231,062
2033	50,000	178,688	228,688
2034	50,000	176,250	226,250
2035	50,000	173,750	223,750
2036	50,000	171,250	221,250
2037	50,000	168,750	218,750
2038	50,000	166,250	216,250
2039	1,600,000	125,000	1,725,000
2040	1,700,000	42,500	1,742,500
Totals	$ 4,150,000	$ 3,508,107	$ 7,658,107

Fort Bend County Municipal Utility District No. 142
Schedule of Long-term Debt Service Requirements by Years (Continued)
June 30, 2020

	Refunding Series 2014		
Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1, March 1	Total
2021	$ 20,000	$ 115,600	$ 135,600
2022	430,000	108,850	538,850
2023	445,000	93,500	538,500
2024	455,000	75,500	530,500
2025	390,000	58,600	448,600
2026	410,000	42,600	452,600
2027	420,000	26,000	446,000
2028	440,000	8,800	448,800
Totals	$ 3,010,000	$ 529,450	$ 3,539,450

Fort Bend County Municipal Utility District No. 142

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

June 30, 2020

	Series 2014A		
Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1, March 1	Total
2021	$ -	$ 136,875	$ 136,875
2022	-	136,875	136,875
2023	-	136,875	136,875
2024	-	136,875	136,875
2025	25,000	136,500	161,500
2026	25,000	135,750	160,750
2027	25,000	135,000	160,000
2028	25,000	134,250	159,250
2029	25,000	133,468	158,468
2030	25,000	132,656	157,656
2031	25,000	131,844	156,844
2032	25,000	131,031	156,031
2033	25,000	130,188	155,188
2034	25,000	129,313	154,313
2035	25,000	128,438	153,438
2036	25,000	127,563	152,563
2037	25,000	126,656	151,656
2038	35,000	125,530	160,530
2039	450,000	116,438	566,438
2040	450,000	99,000	549,000
2041	2,250,000	45,000	2,295,000
Totals	$ 3,510,000	$ 2,646,125	$ 6,156,125

Fort Bend County Municipal Utility District No. 142
Schedule of Long-term Debt Service Requirements by Years (Continued)
June 30, 2020

	Series 2014B		
Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1, March 1	Total
2021	$ 25,000	$ 85,750	$ 110,750
2022	25,000	84,875	109,875
2023	25,000	84,000	109,000
2024	25,000	83,125	108,125
2025	25,000	82,062	107,062
2026	25,000	80,813	105,813
2027	25,000	79,562	104,562
2028	25,000	78,531	103,531
2029	25,000	77,719	102,719
2030	25,000	76,906	101,906
2031	25,000	76,094	101,094
2032	50,000	74,844	124,844
2033	50,000	73,156	123,156
2034	50,000	71,437	121,437
2035	50,000	69,688	119,688
2036	50,000	67,906	117,906
2037	50,000	66,094	116,094
2038	65,000	63,969	128,969
2039	500,000	53,375	553,375
2040	525,000	33,500	558,500
2041	575,000	11,500	586,500
Totals	$ 2,240,000	$ 1,474,906	$ 3,714,906

Fort Bend County Municipal Utility District No. 142

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

June 30, 2020

		Refunding Series 2015		
Due During Fiscal Years Ending June 30		Principal Due September 1	Interest Due September 1, March 1	Total
2021		$ 855,000	$ 857,863	$ 1,712,863
2022		480,000	831,162	1,311,162
2023		500,000	811,563	1,311,563
2024		890,000	783,762	1,673,762
2025		1,005,000	745,862	1,750,862
2026		1,040,000	704,962	1,744,962
2027		1,075,000	668,038	1,743,038
2028		1,105,000	634,647	1,739,647
2029		1,610,000	591,219	2,201,219
2030		1,660,000	537,044	2,197,044
2031		1,710,000	479,106	2,189,106
2032		1,765,000	418,294	2,183,294
2033		1,825,000	355,469	2,180,469
2034		1,880,000	289,456	2,169,456
2035		2,270,000	214,237	2,484,237
2036		2,350,000	130,500	2,480,500
2037		2,425,000	43,953	2,468,953
	Totals	$ 24,445,000	$ 9,097,137	$ 33,542,137

Fort Bend County Municipal Utility District No. 142

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

June 30, 2020

	Series 2016		
Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1, March 1	Total
2021	$ 50,000	$ 217,000	$ 267,000
2022	50,000	215,937	265,937
2023	50,000	214,813	264,813
2024	50,000	213,687	263,687
2025	50,000	212,563	262,563
2026	50,000	211,313	261,313
2027	50,000	209,937	259,937
2028	50,000	208,563	258,563
2029	50,000	207,187	257,187
2030	50,000	205,813	255,813
2031	75,000	204,000	279,000
2032	75,000	201,750	276,750
2033	75,000	199,500	274,500
2034	75,000	197,250	272,250
2035	75,000	195,000	270,000
2036	75,000	192,656	267,656
2037	75,000	190,219	265,219
2038	175,000	186,046	361,046
2039	175,000	180,140	355,140
2040	175,000	174,125	349,125
2041	175,000	168,000	343,000
2042	2,200,000	125,063	2,325,063
2043	2,350,000	42,594	2,392,594
Totals	$ 6,275,000	$ 4,373,156	$ 10,648,156

Fort Bend County Municipal Utility District No. 142

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

June 30, 2020

		Refunding Series 2017	
Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1, March 1	Total
2021	$ 220,000	$ 294,025	$ 514,025
2022	315,000	283,325	598,325
2023	330,000	270,425	600,425
2024	345,000	256,925	601,925
2025	370,000	242,625	612,625
2026	395,000	227,325	622,325
2027	415,000	211,125	626,125
2028	435,000	194,125	629,125
2029	455,000	176,325	631,325
2030	480,000	157,625	637,625
2031	505,000	139,503	644,503
2032	530,000	121,706	651,706
2033	555,000	102,719	657,719
2034	590,000	82,681	672,681
2035	615,000	61,210	676,210
2036	650,000	37,875	687,875
2037	685,000	12,844	697,844
Totals	$ 7,890,000	$ 2,872,388	$ 10,762,388

Fort Bend County Municipal Utility District No. 142

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

June 30, 2020

	Series 2017A		
Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1, March 1	Total
2021	$ 50,000	$ 377,781	$ 427,781
2022	50,000	375,281	425,281
2023	50,000	372,781	422,781
2024	50,000	370,281	420,281
2025	50,000	367,781	417,781
2026	50,000	365,281	415,281
2027	50,000	362,781	412,781
2028	50,000	360,281	410,281
2029	50,000	357,781	407,781
2030	50,000	355,281	405,281
2031	75,000	352,156	427,156
2032	75,000	348,406	423,406
2033	75,000	344,656	419,656
2034	75,000	340,906	415,906
2035	75,000	337,156	412,156
2036	75,000	333,407	408,407
2037	75,000	330,313	405,313
2038	175,000	326,250	501,250
2039	175,000	320,563	495,563
2040	175,000	314,875	489,875
2041	175,000	309,078	484,078
2042	1,100,000	287,563	1,387,563
2043	1,100,000	250,438	1,350,438
2044	2,100,000	196,438	2,296,438
2045	2,225,000	122,063	2,347,063
2046	2,375,000	41,563	2,416,563
Totals	$ 10,625,000	$ 8,221,141	$ 18,846,141

Fort Bend County Municipal Utility District No. 142

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

June 30, 2020

		Series 2018	
Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1, March 1	Total
2021	$ 70,000	$ 317,300	$ 387,300
2022	100,000	314,750	414,750
2023	100,000	311,750	411,750
2024	100,000	308,750	408,750
2025	100,000	305,750	405,750
2026	100,000	302,750	402,750
2027	100,000	299,750	399,750
2028	100,000	296,750	396,750
2029	100,000	293,625	393,625
2030	100,000	290,375	390,375
2031	100,000	287,000	387,000
2032	100,000	283,500	383,500
2033	100,000	280,000	380,000
2034	100,000	276,500	376,500
2035	100,000	272,750	372,750
2036	100,000	268,750	368,750
2037	150,000	264,125	414,125
2038	150,000	258,875	408,875
2039	150,000	253,437	403,437
2040	150,000	247,813	397,813
2041	150,000	242,750	392,750
2042	150,000	238,250	388,250
2043	150,000	233,000	383,000
2044	750,000	215,000	965,000
2045	750,000	185,000	935,000
2046	750,000	155,000	905,000
2047	3,500,000	70,000	3,570,000
Totals	$ 8,370,000	$ 7,073,300	$ 15,443,300

Fort Bend County Municipal Utility District No. 142

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

June 30, 2020

Due During Fiscal Years Ending June 30	Refunding Series 2018A Principal Due September 1	Interest Due September 1, March 1	Total
2021	$ 10,000	$ 102,000	$ 112,000
2022	35,000	101,100	136,100
2023	60,000	99,200	159,200
2024	60,000	96,800	156,800
2025	60,000	94,400	154,400
2026	60,000	92,000	152,000
2027	85,000	89,100	174,100
2028	85,000	85,700	170,700
2029	85,000	82,300	167,300
2030	85,000	78,900	163,900
2031	80,000	75,600	155,600
2032	80,000	72,400	152,400
2033	105,000	68,700	173,700
2034	105,000	64,500	169,500
2035	105,000	60,300	165,300
2036	105,000	56,100	161,100
2037	100,000	52,000	152,000
2038	1,250,000	25,000	1,275,000
Totals	$ 2,555,000	$ 1,396,100	$ 3,951,100

Fort Bend County Municipal Utility District No. 142

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

June 30, 2020

Due During Fiscal Years Ending June 30	Refunding Series 2019 Principal Due September 1	Interest Due September 1, March 1	Total
2021	$ 15,000	$ 58,425	$ 73,425
2022	40,000	57,600	97,600
2023	40,000	56,400	96,400
2024	65,000	54,825	119,825
2025	65,000	52,875	117,875
2026	60,000	51,300	111,300
2027	60,000	50,100	110,100
2028	60,000	48,825	108,825
2029	60,000	47,475	107,475
2030	60,000	46,050	106,050
2031	60,000	44,550	104,550
2032	80,000	42,600	122,600
2033	80,000	40,200	120,200
2034	80,000	37,800	117,800
2035	80,000	35,400	115,400
2036	75,000	33,075	108,075
2037	75,000	30,825	105,825
2038	990,000	14,850	1,004,850
Totals	$ 2,045,000	$ 803,175	$ 2,848,175

Fort Bend County Municipal Utility District No. 142
Schedule of Long-term Debt Service Requirements by Years (Continued)
June 30, 2020

		Series 2019	
Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1, March 1	Total
2021	$ -	$ 84,750	$ 84,750
2022	-	84,750	84,750
2023	-	84,750	84,750
2024	-	84,750	84,750
2025	-	84,750	84,750
2026	-	84,750	84,750
2027	-	84,750	84,750
2028	-	84,750	84,750
2029	-	84,750	84,750
2030	-	84,750	84,750
2031	-	84,750	84,750
2032	-	84,750	84,750
2033	-	84,750	84,750
2034	-	84,750	84,750
2035	-	84,750	84,750
2036	-	84,750	84,750
2037	-	84,750	84,750
2038	-	84,750	84,750
2039	-	84,750	84,750
2040	-	84,750	84,750
2041	-	84,750	84,750
2042	-	84,750	84,750
2043	-	84,750	84,750
2044	755,000	73,425	828,425
2045	770,000	50,550	820,550
2046	765,000	27,525	792,525
2047	535,000	8,025	543,025
Totals	$ 2,825,000	$ 2,108,775	$ 4,933,775

Fort Bend County Municipal Utility District No. 142

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

June 30, 2020

Due During Fiscal Years Ending June 30	Annual Requirements For All Series Total Principal Due	Total Interest Due	Total Principal and Interest Due
2021	$ 1,955,000	$ 2,989,882	$ 4,944,882
2022	2,055,000	2,918,817	4,973,817
2023	2,170,000	2,843,870	5,013,870
2024	2,265,000	2,760,630	5,025,630
2025	2,375,000	2,670,631	5,045,631
2026	2,460,000	2,576,294	5,036,294
2027	2,565,000	2,483,555	5,048,555
2028	2,640,000	2,392,135	5,032,135
2029	2,740,000	2,297,799	5,037,799
2030	2,825,000	2,199,794	5,024,794
2031	2,960,000	2,096,878	5,056,878
2032	3,100,000	1,988,743	5,088,743
2033	3,220,000	1,875,426	5,095,426
2034	3,325,000	1,756,743	5,081,743
2035	3,445,000	1,632,679	5,077,679
2036	3,555,000	1,503,832	5,058,832
2037	3,710,000	1,370,529	5,080,529
2038	2,890,000	1,251,520	4,141,520
2039	3,050,000	1,133,703	4,183,703
2040	3,175,000	996,563	4,171,563
2041	3,325,000	861,078	4,186,078
2042	3,450,000	735,626	4,185,626
2043	3,600,000	610,782	4,210,782
2044	3,605,000	484,863	4,089,863
2045	3,745,000	357,613	4,102,613
2046	3,890,000	224,088	4,114,088
2047	4,035,000	78,025	4,113,025
Totals	$ 82,130,000	$ 45,092,098	$ 127,222,098

Fort Bend County Municipal Utility District No. 142

Changes in Long-term Bonded Debt

Year Ended June 30, 2020

	Series 2011	Series 2011A	Series 2012	Bond Refunding Series 2013
Interest rates	4.00%	4.00%	4.00%	3.00% to 4.00%
Dates interest payable	September 1/ March 1	September 1/ March 1	September 1/ March 1	September 1/ March 1
Maturity dates	September 1, 2020	September 1, 2020	September 1, 2020	September 1, 2020/2033
Bonds outstanding, beginning of current year	$ 160,000	$ 50,000	$ 1,950,000	$ 4,225,000
Bonds sold during current year	-	-	-	-
Principal refunded	-	-	1,900,000	-
Retirements, principal	80,000	25,000	25,000	165,000
Bonds outstanding, end of current year	$ 80,000	$ 25,000	$ 25,000	$ 4,060,000
Interest paid during current year	$ 4,800	$ 1,469	$ 1,500	$ 148,900

Paying agent's name and address:

Series 2011	-	The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Series 2011A	-	The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Series 2012	-	The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Series 2013R	-	The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Series 2013	-	The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Series 2014R	-	The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Series 2014A	-	The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Series 2014B	-	The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Series 2015R	-	The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Series 2016	-	The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Series 2017R	-	The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Series 2017A	-	The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Series 2018	-	The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Series 2018A	-	The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Series 2019R	-	The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Series 2019	-	The Bank of New York Mellon Trust Company, N.A., Dallas, Texas

Bond authority:	Tax Bonds	Recreational Bonds	Refunding Bonds
Amount authorized by voters	$ 192,840,000	$ 12,100,000	$ 118,440,000
Amount issued/authorization used	$ 87,435,000	$ 5,100,000	$ 2,780,000
Remaining to be issued	$ 105,405,000	$ 7,000,000	$ 115,660,000

Debt service fund cash and temporary investment balances as of June 30, 2020:	$ 9,054,741
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 4,711,930

*The District has issued $48,865,000 of refunding bonds; however, of such amount, $2,780,000 has been applied to the voter-authorized bonds and the remaining $46,085,000 has been issued pursuant to Chapter 1207 of the Texas Government Code.

Issues

Series 2013	Refunding Series 2014	Series 2014A	Series 2014B	Refunding Series 2015
3.00% to 5.00%	3.00% to 4.00%	3.00% to 4.00%	3.25% to 5.00%	2.00% to 4.00%
September 1/ March 1	September 1/ March 1	September 1/ March 1	September 1/ March 1	September 1/ March 1
September 1, 2020/2039	September 1, 2020/2027	September 1, 2024/2040	September 1, 2020/2040	September 1, 2020/2036
$ 4,175,000	$ 3,335,000	$ 3,510,000	$ 2,265,000	$ 25,280,000
-	-	-	-	-
-	-	-	-	-
25,000	325,000	-	25,000	835,000
$ 4,150,000	$ 3,010,000	$ 3,510,000	$ 2,240,000	$ 24,445,000
$ 201,512	$ 120,775	$ 136,875	$ 86,625	$ 883,312

Fort Bend County Municipal Utility District No. 142

Changes in Long-term Bonded Debt (Continued)

Year Ended June 30, 2020

	Bond			
	Series 2016	Refunding Series 2017	Series 2017A	Series 2018
Interest rates	2.000% to 3.625%	3.375% to 4.000%	3.25% to 5.00%	3.00% to 4.00%
Dates interest payable	September 1/ March 1	September 1/ March 1	September 1/ March 1	September 1/ March 1
Maturity dates	September 1, 2020/2042	September 1, 2020/2036	September 1, 2020/2045	September 1, 2020/2046
Bonds outstanding, beginning of current year	$ 6,315,000	$ 8,100,000	$ 10,645,000	$ 8,370,000
Bonds sold during current year	-	-	-	-
Principal refunded	-	-	-	-
Retirements, principal	40,000	210,000	20,000	-
Bonds outstanding, end of current year	$ 6,275,000	$ 7,890,000	$ 10,625,000	$ 8,370,000
Interest paid during current year	$ 217,900	$ 302,625	$ 379,531	$ 318,350

Issues

Refunding Series 2018A	Refunding Series 2019	Series 2019	Totals
4.00%	2.00% to 3.00%	3.00%	
September 1/ March 1	September 1/ March 1	September 1/ March 1	
September 1, 2020/2037	September 1, 2020/2037	September 1, 2043/2046	
$ 2,590,000	$ -	$ -	$ 80,970,000
-	2,045,000	2,825,000	4,870,000
-	-	-	1,900,000
35,000	-	-	1,810,000
$ 2,555,000	$ 2,045,000	$ 2,825,000	$ 82,130,000
$ 102,900	$ 39,100	$ 28,250	$ 2,974,424

Fort Bend County Municipal Utility District No. 142

Comparative Schedule of Revenues and Expenditures – General Fund

Five Years Ended June 30,

	Amounts				
	2020	2019	2018	2017	2016
General Fund					
Revenues					
Property taxes	$ 1,326,529	$ 1,250,653	$ 1,190,330	$ 1,283,202	$ 1,665,260
City of Houston rebates	55,756	54,704	54,259	37,690	41,809
Water service	1,138,664	1,064,129	1,001,145	1,001,635	920,418
Sewer service	1,634,353	1,483,981	1,366,054	1,328,535	1,274,544
Regional water fee	1,559,156	1,248,948	1,195,346	1,062,115	905,025
Penalty and interest	126,045	137,437	136,015	121,544	120,051
Tap connection and inspection fees	812,177	500,446	250,262	1,021,012	330,601
Investment income	181,303	193,275	99,644	55,940	31,678
Other income	114,740	45,857	211,892	12,092	126,463
Total revenues	6,948,723	5,979,430	5,504,947	5,923,765	5,415,849
Expenditures					
Service operations:					
Purchased services	1,480,225	1,277,542	1,337,463	1,160,168	963,142
Regional water fee	178,628	78,788	31,052	4,993	58,580
Lease payments	785,448	687,448	667,848	676,831	338,520
Professional fees	299,574	315,290	321,067	281,614	249,967
Contracted services	1,117,976	998,869	923,722	895,363	857,779
Utilities	168,166	181,982	186,662	157,417	182,321
Repairs and maintenance	1,563,652	1,090,854	619,407	817,889	574,407
Other expenditures	263,910	378,767	273,622	250,819	174,362
Tap connections	317,514	235,961	93,605	201,417	162,400
Capital outlay	339,141	644,770	117,898	1,055,158	761,398
Debt service, debt issuance costs	-	52,286	-	43,000	4,500
Total expenditures	6,514,234	5,942,557	4,572,346	5,544,669	4,327,376
Excess of Revenues Over Expenditures	434,489	36,873	932,601	379,096	1,088,473
Other Financing Sources (Uses)					
Interfund transfers in (out)	-	(118,377)	211,837	90,614	15,750
Excess (Deficiency) of Revenues and Transfers In Over Expenditures and Transfers Out	434,489	(81,504)	1,144,438	469,710	1,104,223
Fund Balance, Beginning of Year	9,051,528	9,133,032	7,988,594	7,518,884	6,414,661
Fund Balance, End of Year	$ 9,486,017	$ 9,051,528	$ 9,133,032	$ 7,988,594	$ 7,518,884
Total Active Retail Water Connections	3,839	3,539	3,309	3,168	3,062
Total Active Retail Wastewater Connections	3,729	3,440	3,206	3,069	2,981

Percent of Fund Total Revenues				
2020	2019	2018	2017	2016
19.1 %	20.9 %	21.6 %	21.7 %	30.8 %
0.8	0.9	1.0	0.6	0.8
16.4	17.8	18.2	16.9	17.0
23.5	24.8	24.8	22.4	23.5
22.4	20.9	21.7	17.9	16.7
1.8	2.3	2.4	2.1	2.2
11.7	8.4	4.6	17.3	6.1
2.6	3.2	1.8	0.9	0.6
1.7	0.8	3.9	0.2	2.3
100.0	100.0	100.0	100.0	100.0
21.3	21.4	24.3	19.6	17.8
2.6	1.3	0.6	0.1	1.1
11.3	11.6	12.1	11.4	6.3
4.3	5.3	5.8	4.8	4.6
16.1	16.7	16.8	15.1	15.8
2.4	3.0	3.4	2.7	3.4
22.5	18.2	11.3	13.8	10.6
3.8	6.3	5.0	4.2	3.2
4.5	3.9	1.7	3.4	3.0
4.9	10.8	2.1	17.8	14.1
-	0.9	-	0.7	0.0
93.7	99.4	83.1	93.6	79.9
6.3 %	0.6 %	16.9 %	6.4 %	20.1 %

Fort Bend County Municipal Utility District No. 142

Comparative Schedule of Revenues and Expenditures – Debt Service Fund

Five Years Ended June 30,

	Amounts				
	2020	2019	2018	2017	2016
Debt Service Fund					
Revenues					
Property taxes	$ 5,306,128	$ 4,995,165	$ 4,761,285	$ 4,516,172	$ 3,977,192
Penalty and interest	57,061	50,521	25,411	39,948	55,373
Investment income	141,752	153,546	78,292	37,173	22,255
Total revenues	5,504,941	5,199,232	4,864,988	4,593,293	4,054,820
Expenditures					
Current:					
Professional fees	13,601	15,834	6,019	8,302	10,736
Contracted services	119,402	115,327	107,500	96,359	95,422
Other expenditures	30,396	19,644	9,646	18,129	27,258
Debt service:					
Principal retirement	1,810,000	1,665,000	1,595,000	1,540,000	1,225,000
Interest and fees	2,977,280	2,819,414	2,604,707	2,545,011	2,236,364
Debt issuance costs	112,054	131,562	1,200	321,438	732
Debt defeasance	37,000	3,000	-	-	-
Total expenditures	5,099,733	4,769,781	4,324,072	4,529,239	3,595,512
Excess of Revenues Over Expenditures	405,208	429,451	540,916	64,054	459,308
Other Financing Sources (Uses)					
General obligation bonds issued	2,045,000	2,590,000	-	8,130,000	-
Premium on debt issued	-	7,113	-	191,954	-
Discount on debt issued	(16,659)	-	-	-	-
Deposit with escrow agent	(1,908,075)	(2,459,513)	-	(7,994,875)	-
Total other financing sources	120,266	137,600	0	327,079	0
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	525,474	567,051	540,916	391,133	459,308
Fund Balance, Beginning of Year	8,508,860	7,941,809	7,400,893	7,009,760	6,550,452
Fund Balance, End of Year	$ 9,034,334	$ 8,508,860	$ 7,941,809	$ 7,400,893	$ 7,009,760

Percent of Fund Total Revenues				
2020	2019	2018	2017	2016
96.4 %	96.1 %	97.9 %	98.3 %	98.1 %
1.0	0.9	0.5	0.9	1.4
2.6	3.0	1.6	0.8	0.5
100.0	100.0	100.0	100.0	100.0
0.2	0.3	0.1	0.2	0.3
2.2	2.2	2.2	2.1	2.3
0.5	0.4	0.2	0.4	0.7
32.9	32.0	32.8	33.5	30.2
54.1	54.2	53.6	55.4	55.2
2.0	2.5	0.0	7.0	0.0
0.7	0.1	-	-	-
92.6	91.7	88.9	98.6	88.7
7.4 %	8.3 %	11.1 %	1.4 %	11.3 %

Fort Bend County Municipal Utility District No. 142

Board Members, Key Personnel and Consultants

Year Ended June 30, 2020

Complete District mailing address:	Fort Bend County Municipal Utility District No. 142 c/o Schwartz, Page & Harding, L.L.P. 1300 Post Oak Boulevard, Suite 1400 Houston, Texas 77056	
District business telephone number:	713.623.4531	
Submission date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):		December 12, 2019
Limit on fees of office that a director may receive during a fiscal year:		$ 7,200

Board Members	Term of Office Elected & Expires	Fees*	Expense Reimbursements	Title at Year-end
Randal L. Carter	Elected 05/18-05/22	$ 4,500	$ 261	President
John R. Morgan	Elected 05/20-05/24	1,950	63	Vice President
Ross Madia	Elected 05/18-05/22	3,300	97	Secretary
Philip Huseman	Elected 05/20-05/24	1,350	49	Assistant Secretary
Amber Stevenson	Elected 05/18-05/22	1,800	225	Assistant Secretary
William R. Mower	Elected 05/16-11/19	150	23	Resigned

*Fees are the amounts actually paid to a director during the District's fiscal year.

Fort Bend County Municipal Utility District No. 142

Board Members, Key Personnel and Consultants (Continued)

Year Ended June 30, 2020

Consultants	Date Hired	Fees and Expense Reimbursements	Title
BKD, LLP	08/26/04	$ 34,800	Auditor
Environmental Development Partners, L.L.C.	06/01/12	1,830,808	Operator
Fort Bend Central Appraisal District	Legislative Action	45,419	Appraiser
Jones & Carter, Inc.	09/02/03	2,131,756	Engineer
Municipal Accounts & Consulting, L.P.	09/02/03	49,771	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	02/14/05	13,601	Delinquent Tax Attorney
Rathmann & Associates, L.P.	09/02/03	85,063	Financial Advisor
Schwartz, Page & Harding, L.L.P.	09/02/03	70,131 98,401	General Counsel Bond Counsel
Wheeler & Associates, Inc.	11/24/03	108,013	Tax Assessor/ Collector

Investment Officers			
Mark M. Burton and Ghia Lewis	01/22/04	N/A	Bookkeepers

APPENDIX C

SPECIMEN OF MUNICIPAL BOND INSURANCE POLICY

MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No: -N

BONDS: $ in aggregate principal amount of

Effective Date:

Premium: $

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, 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 Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the 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 AGM. 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 AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

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 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 AGM 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 of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount 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 or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

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

To the fullest extent permitted by applicable law, AGM 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 AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, 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, (a) 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 and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By ______________________________
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
1633 Broadway, New York, N.Y. 10019
(212) 974-0100