OFFICIAL STATEMENT DATED SEPTEMBER 29, 2021

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

THE BONDS HAVE **NOT** BEEN DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS.

NEW ISSUE-Book-Entry Only

Insured Ratings (AGM): S&P "AA" (stable outlook)
Moody's "A2" (stable outlook)
Underlying Rating: Moody's "Baa3"
See "MUNICIPAL BOND RATING" and "MUNICIPAL BOND INSURANCE" herein.

$5,800,000
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194
(A political subdivision of the State of Texas located within Fort Bend County)
UNLIMITED TAX BONDS
SERIES 2021

The bonds described above (the "Bonds") are obligations solely of Fort Bend County Municipal Utility District No. 194 (the "District") and are not obligations of the State of Texas, Fort Bend County, the City of Houston, or any entity other than the District.

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

Dated Date: October 1, 2021 **Due: September 1, as shown below**
Interest Accrual Date: Date of Delivery

Principal of the Bonds is payable at maturity or earlier redemption at the principal payment office of the paying agent/registrar, initially The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the "Paying Agent/Registrar") upon surrender of the Bonds for payment. Interest on the Bonds accrues from the date of delivery (expected October 27, 2021) (the "Date of Delivery"), and is payable each March 1 and September 1, commencing March 1, 2022, until maturity or prior redemption. The Bonds will be issued only in fully registered form in denominations of $5,000 each or integral multiples thereof. The Bonds are subject to redemption prior to their maturity, as shown below.

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

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

MATURITY SCHEDULE

Due (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (c)	CUSIP Number (b)	Due (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (c)	CUSIP Number (b)
2023	$ 245,000	4.500 %	0.45 %	34683E RW4	2030	$ 245,000 (a)	2.000 %	1.55 %	34683E SD5
2024	245,000	4.500	0.55	34683E RX2	2031	240,000 (a)	2.000	1.75	34683E SE3
2025	245,000	4.500	0.70	34683E RY0	***	***	***	***	***
2026	245,000	4.500	0.85	34683E RZ7	2034	240,000 (a)	2.125	2.30	34683E SH6
2027	245,000 (a)	2.000	1.00	34683E SA1	***	***	***	***	***
2028	245,000 (a)	2.000	1.15	34683E SB9	2040	240,000 (a)	2.500	2.65	34683E SP8
2029	245,000 (a)	2.000	1.35	34683E SC7					

$480,000 Term Bonds due September 1, 2033 (a), 34683E SG8 (b), 2.000% Interest Rate, 2.15% Yield (c)
$480,000 Term Bonds due September 1, 2036 (a), 34683E SK9 (b), 2.250% Interest Rate, 2.45% Yield (c)
$720,000 Term Bonds due September 1, 2039 (a), 34683E SN3 (b), 2.500% Interest Rate, 2.60% Yield (c)
$1,440,000 Term Bonds due September 1, 2046 (a), 34683E SV5 (b), 2.625% Interest Rate, 2.70% Yield (c)

(a) Bonds maturing on and after September 1, 2027, are subject to redemption at the option of the District prior to their maturity dates in whole, or from time to time in part, on September 1, 2026, or on any date thereafter at a price of par value plus unpaid accrued interest from the most recent Interest Payment Date (as herein defined) to the date fixed for redemption. The Term Bonds (as defined herein) are also subject to mandatory sinking fund redemption as more fully described herein. See "THE BONDS—Redemption Provisions."
(b) CUSIP Numbers have been assigned to the Bonds by CUSIP Service Bureau and are included solely for the convenience of the purchasers of the Bonds. Neither the District nor the Underwriter shall be responsible for the selection or correctness of the CUSIP Numbers set forth herein.
(c) Initial yield represents the initial offering yield to the public, which has been established by the Underwriter for offers to the public and which subsequently may be changed.

The Bonds are offered by the Underwriter subject to prior sale, when, as and if issued by the District and accepted by the Underwriter, subject, among other things, to the approval of the Bonds by the Attorney General of Texas and the approval of certain legal matters by Allen Boone Humphries Robinson LLP, Houston, Texas, Bond Counsel. See "LEGAL MATTERS." Delivery of the Bonds in book-entry form through the facilities of DTC is expected on or about October 27, 2021.

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

All of the summaries of the statutes, resolutions, orders, contracts, audited financial statements, engineering and other related reports set forth in this OFFICIAL STATEMENT are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents, copies of which are available from Allen Boone Humphries Robinson LLP, Bond Counsel, 3200 Southwest Freeway, Suite 2600, Houston, Texas, 77027, for further information.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, SEC Rule 15c2-12, as amended.

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

Assured Guaranty Municipal Corp. ("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 "MUNICIPAL BOND INSURANCE" and "APPENDIX B—Specimen Municipal Bond Insurance Policy."

SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the Bonds, the District accepted the bid resulting in the lowest net effective interest rate, which bid was tendered by SAMCO Capital Markets, Inc. (the "Underwriter") paying the interest rates shown on the cover page hereof, at a price of 98.3202% of the par value thereof, which resulted in a net effective interest rate of 2.628957%, as calculated pursuant to Chapter 1204 of the Texas Government Code, as amended (the IBA method).

Prices and Marketability

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

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

Securities Laws

No registration statement relating to the offer and sale of the Bonds has been filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended, in reliance upon the exemptions provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein and the Bonds have not been registered or qualified under the securities laws of any other jurisdiction. The District assumes no responsibility for registration or qualification of the Bonds under the securities laws of any other jurisdiction in which the Bonds may be offered, sold or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions in such other jurisdiction.

OFFICIAL STATEMENT SUMMARY

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

INFECTIOUS DISEASE OUTLOOK (COVID-19)

General… In March 2020, the World Health Organization and the President of the United States separately declared the outbreak of a respiratory disease caused by a novel coronavirus ("COVID-19") to be a public health emergency. On March 13, 2020, the Governor of Texas (the "Governor") declared a state of disaster for all counties in the State of Texas (the "State") because of the effects of COVID-19. Subsequently, in response to a rise in COVID-19 infections in the State and pursuant to the Chapter 418 of the Texas Government Code, the Governor issued a number of executive orders intended to help limit the spread of COVID-19 and mitigate injury and the loss of life, including limitations imposed on business operations, social gatherings and other activities.

Over the ensuing year, COVID-19 negatively affected commerce, travel and businesses locally and globally, and negatively affected economic growth worldwide and within the State. Following the widespread release and distribution of various COVID-19 vaccines in 2021 and a decrease in active COVID-19 cases generally in the United States, state governments (including Texas) have started to lift business and social limitations associated with COVID-19. Beginning in March 2021, the Governor issued various executive orders, which, among other things, rescinded and superseded prior executive orders and provide that there are currently no COVID-19 related operating limits for any business or other establishment. The Governor retains the right to impose additional restrictions on activities if needed in order to mitigate the effects of COVID-19. 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 into this OFFICIAL STATEMENT.

With the easing or removal of associated governmental restrictions, economic activity has increased. However, there are no assurances that such increased economic activity will continue or continue at the same rate, especially if there are future outbreaks of COVID-19. The District has not experienced any decrease in property values, unusual tax delinquencies or interruptions to any service as a result of COVID 19; however, the District cannot predict the long-term economic effect of COVID-19 or a similar virus should there be a reversal of economic activity and reinstitution of restrictions. See "INVESTMENT CONSIDERATIONS—Infectious Disease Outlook (COVID-19)."

THE DISTRICT

Description... The District is a political subdivision of the State of Texas, created by order of the Texas Commission on Environmental Quality ("TCEQ"), on March 6, 2008, and operates pursuant to Chapters 49 and 54 of the Texas Water Code, as amended. At the time of creation, the District contained approximately 284 acres of land. Subsequent to creation, the District annexed approximately 247 acres, which brings the total District acreage to approximately 531 acres. See "THE DISTRICT."

Location... The District is located approximately 23 miles southwest of the central downtown business district of the City of Houston and lies wholly within the extraterritorial jurisdiction of the City of Houston. The District is within the boundaries of the Lamar Consolidated Independent School District. The District is located at the intersection of Texas State Highway 99 (the "Grand Parkway") and West Bellfort. See "THE DISTRICT" and "AERIAL PHOTOGRAPH."

Status of Development... The District is being developed as a mixed-use and residential project. Approximately 125 acres of mixed- use and commercial tracts have been provided with necessary water, sewer and drainage facilities. A 187,000 square foot entertainment facility with 22 movie screens, 2 restaurants/bars, a studio retail store, a chocolate shop and a 16 lane bowling alley has been constructed on an approximately 20-acre tract. In addition, Gallery Furniture has constructed an approximately 164,533 square foot retail showroom on approximately 12 acres within the District. Other commercial development includes a stand-alone Taco Bell; a 15,000 square foot retail center constructed on approximately 4 acres (100% occupied) where Jack In The Box, a dentist's office, a frozen yogurt shop, a nail salon and a liquor store are located; a 15,000 square foot retail center on approximately 2 acres (100% occupied) where Wendy's, Little Caesar's Pizza, Goodwill, Today's Vision, a nail salon, Small Vet Clinic and Mattress One are located; a 15,000 square foot retail center on approximately 2 acres (100% occupied) where a Shell service station/convenience store with a McDonald's and a car wash are located; a 15,000 square foot retail center on approximately 2 acres (100% occupied) where an urgent care facility, Pearle Vision, a dentist's office, office for Partners in Building, a Mexican restaurant, a spa/salon and a pizza restaurant are located; a 15,000 square foot retail center on approximately 2 acres currently occupied by a Subway, Mattress Firm, a dentist office and a doctor's office; and a 39,000 square foot retail center on approximately 4 acres with a print/ship shop, sports grill, Thai restaurant, liquor store and 2 other small retail businesses. See "TAX DATA—Principal Taxpayers" and INVESTMENT CONSIDERATIONS—Infectious Disease Outlook (COVID-19)" and "—Dependence on Principal Taxpayers."

In addition to the commercial development, 669 single-family residential lots have been completed on approximately 237 acres. As of July 2021, 668 homes were completed (667 occupied), 1 home were under construction or in a builder's name and no vacant developed lots were available for home construction. Single-family residential homes within the District range in value from approximately $280,000 to $425,000.

Approximately 58 acres have been served with utilities for multi-family use. A 336-unit apartment community has been constructed on approximately 17 acres, a 300-unit apartment community has been constructed on approximately 21 acres and a 400-unit apartment community has been constructed on approximately 20 acres.

Approximately 111 acres are not developable (rights-of-way, open spaces, easements and utility sites). See "THE DISTRICT."

The Developers… The developers within the District are LM Development L.P. ("LM Development"), a Texas limited partnership, and DR Horton Texas Ltd. ("DR Horton"), a Texas limited partnership. The general partner of LM Development is LM Farms Inc. LM Development has contracted with C&O Development Corporation ("C&O"), a Texas corporation, doing business as Trend Development ("Trend") for the day-to-day management of the portion of the District developed as Long Meadow Farms. DR Horton Texas Ltd. is wholly owned by DR Horton, Inc., a Delaware corporation and publicly held company, the stock of which is listed on the New York Stock Exchange under the ticker symbol "DHI." Both LM Development and DR Horton have completed their development activities within the District.

LM Development and DR Horton are collectively referred to here as the "Developers." See "THE DEVELOPERS."

Homebuilders… DR Horton is building homes in the District. See "THE DISTRICT—Homebuilders."

Payment Record... The District has previously issued $36,890,000 principal amount of unlimited tax bonds for water, sewer and drainage facilities (the "Water, Sewer and Drainage Bonds") in seven series, $21,990,000 principal amount of unlimited tax bonds for roads and related improvements (the "Road Bonds") in six series, $6,950,000 principal amount of unlimited tax refunding bonds for refunding outstanding Water, Sewer and Drainage Bonds in two series and $5,905,000 principal amount of unlimited tax road refunding bonds for refunding outstanding Road Bonds in two series, $52,025,000 of which collectively will remain outstanding after the District's September 1, 2021 principal payment of $1,815,000 (the "Outstanding Bonds"). The District has never defaulted on its debt obligations. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Outstanding Debt."

THE BONDS

Description... $5,800,000 Unlimited Tax Bonds, Series 2021 (the "Bonds") are being issued pursuant to a resolution authorizing the issuance of the Bonds adopted by the District's Board of Directors (the "Board") as fully registered bonds (the "Bond Resolution"). The Bonds are scheduled to mature as serial bonds on September 1 in each of the years 2023 through 2031, both inclusive, and 2034 and 2040 and as term bonds on September 1 in each of the years 2033, 2036, 2039 and 2046 (the "Term Bonds") in the respective principal amounts and bear interest at the rates for each maturity shown on the cover page hereof. The Bonds will be issued in denominations of $5,000 or integral multiples of $5,000. The Bonds are dated October 1, 2021, and interest on the Bonds accrues from the Date of Delivery, and is payable March 1, 2022, and each September 1 and March 1 thereafter, until the earlier of maturity or redemption. See "THE BONDS."

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

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

Use of Proceeds... Proceeds of the Bonds will be used to pay for the construction costs and fees shown herein under "USE AND DISTRIBUTION OF BOND PROCEEDS." In addition, Bond proceeds will be used to pay interest on funds advanced by the Developers on behalf of the District; to capitalize twelve (12) months of interest on the Bonds and to pay administrative costs and certain other costs and engineering fees related to the issuance of the Bonds.

Authority for Issuance... The Bonds are the eighth series of bonds issued out of an aggregate of $68,550,000 principal amount of unlimited tax bonds authorized by the District's voters for the purpose of purchasing and constructing a water, sanitary sewer and/or storm drainage system. The Bonds are issued by the District pursuant to an order of the TCEQ, the terms and conditions of the Bond Resolution, a bond election held in the District, Article XVI, Section 59 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, as amended, and general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas. See "THE BONDS—Authority for Issuance" and "—Issuance of Additional Debt" and "INVESTMENT CONSIDERATIONS—Future Debt."

Source of Payment... Principal of and interest on the Bonds are payable from the proceeds of a continuing direct annual ad valorem tax levied, without legal limitation as to rate or amount, against all taxable property within the District. The Bonds are obligations of the District and are not obligations of the City of Houston, Fort Bend County, the State of Texas or any entity other than the District. See "THE BONDS—Source of Payment."

Municipal Bond Rating and Municipal Bond Insurance... S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, ("S&P") has assigned its municipal bond ratings of "AA" (stable outlook) and Moody's Investors Service, Inc. ("Moody's") has assigned its municipal bond ratings of "A2" (stable outlook), respectively, to the Bonds with the understanding that, upon delivery of the Bonds, a Policy insuring the timely payment of the principal of and interest on the Bonds will be issued by ASSURED GUARANTY MUNICIPAL CORP. ("AGM" or the "Insurer") for the Bonds. Moody's has also assigned an underlying rating of "Baa3" to the Bonds. An explanation of the ratings may be obtained from S&P and Moody's. See "INVESTMENT CONSIDERATIONS—Risk Factors Related to the Purchase of Municipal Bond Insurance," "MUNICIPAL BOND RATING," "MUNICIPAL BOND INSURANCE" and "APPENDIX B."

Not Qualified Tax-Exempt Obligations...	The Bonds have **not** been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b) of the Internal Revenue Code of 1986, as amended.
Bond Counsel...	Allen Boone Humphries Robinson LLP, Houston, Texas. See "MANAGEMENT OF THE DISTRICT," "LEGAL MATTERS" and "TAX MATTERS."
Financial Advisor...	Masterson Advisors LLC, Houston, Texas. See "MANAGEMENT OF THE DISTRICT."
Disclosure Counsel...	McCall, Parkhurst & Horton L.L.P., Houston, Texas.
Paying Agent/Registrar...	The Bank of New York Mellon Trust Company, N.A., Dallas, Texas. See "THE BONDS—Method of Payment of Principal and Interest."

INVESTMENT CONSIDERATIONS

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

SELECTED FINANCIAL INFORMATION (UNAUDITED)

2021 Taxable Assessed Valuation	$465,041,789	(a)
Estimated Taxable Assessed Valuation as of July 15, 2021	$484,188,050	(b)
Gross Direct Debt Outstanding	$57,825,000	(c)
Estimated Overlapping Debt	26,847,418	(d)
Gross Direct Debt and Estimated Overlapping Debt	$84,672,418	
Ratios of Gross Direct Debt to:		
2021 Taxable Assessed Valuation	12.43%	(e)
Estimated Taxable Assessed Valuation as of July 15, 2021	11.94%	(e)
Ratios of Gross Direct Debt and Estimated Overlapping Debt to:		
2021 Taxable Assessed Valuation	18.21%	(e)
Estimated Taxable Assessed Valuation as of July 15, 2021	17.49%	(e)
Funds Available for Debt Service as of August 10, 2021:		
Road Debt Service Funds	$1,259,935	(f)
Capitalized Interest from Bond Proceeds for Water, Sewer and Drainage Debt Service	155,800	(g)
Water, Sewer and Drainage Debt Service Funds	2,515,531	(f,g)
Total Debt Service Funds Available	$3,931,266	
Operating Funds Available as of August 10, 2021	$3,516,100	
Capital Projects Funds Available as of August 10, 2021	$4,026,066	
2021 Debt Service Tax Rate	$0.87	
2021 Maintenance and Operations Tax Rate	0.34	
2021 Total Tax Rate	$1.21	(h)
Average Annual Debt Service Requirement (2022-2046)	$3,051,895	(i)
Maximum Annual Debt Service Requirement (2023)	$4,162,813	(i)
Tax Rates Required to Pay Average Annual Debt Service (2022-2046) at a 95% Collection Rate		
Based upon 2021 Taxable Assessed Valuation	$0.70	(j)
Based upon Estimated Taxable Assessed Valuation as of July 15, 2021	$0.67	(j)
Tax Rates Required to Pay Maximum Annual Debt Service (2023) at a 95% Collection Rate		
Based upon 2021 Taxable Assessed Valuation	$0.95	(j)
Based upon Estimated Taxable Assessed Valuation as of July 15, 2021	$0.91	(j)
Status of Development as of July 2021 (k):		
Completed Homes (667 occupied)	668	
Homes Under Construction or in Builders Name	1	
Lots Available for Home Construction	0	
Completed Multi-Family Units	1,036	
Commercial	(k)	
Estimated Population	4,199	(l)

(a) The Fort Bend Central Appraisal District has certified $461,846,229 of taxable value as of January 1, 2021. An additional $3,195,560 of taxable value remains uncertified, subject to downward revision prior to certification. The 2021 Taxable Assessed Valuation shown throughout the OFFICIAL STATEMENT represents the certified value plus the uncertified value. See "TAXING PROCEDURES."

(b) Provided by the Appraisal District for information purposes only. Such amount reflects the estimated value as of July 15, 2021. Taxes are levied based on value as certified by the Appraisal District as of January 1 of each year. No taxes will be levied upon such amount until it is certified by the Appraisal District. See "TAXING PROCEDURES."

(c) Includes the Bonds and the Outstanding Bonds and after the District's September 1, 2021 principal payment in the amount of $1,815,000. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Outstanding Debt."

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

(e) The debt ratios throughout the OFFICIAL STATEMENT exclude the District's September 1, 2021 principal payment in the amount of $1,815,000, funds for which are included in the Debt Service Fund balance shown throughout the OFFICIAL STATEMENT.

(f) Although all of the District's debt, including the Outstanding Bonds and the Bonds, is payable from an unlimited tax pledge on parity, a pro rata portion of the District's ad valorem tax revenue will be allocated to the Outstanding Road Bonds, and a pro rata portion will be allocated to the Outstanding Water, Sewer and Drainage Bonds and the Bonds. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Outstanding Debt." The Water, Sewer and Drainage Debt Service Fund is not pledged to the Outstanding Road Bonds nor will funds deposited into the Road Debt Service Fund be pledged to the Outstanding Water, Sewer and Drainage Bonds or the Bonds.

(g) The District will capitalize twelve (12) months of interest on the Bonds that will be deposited in the Water, Sewer and Drainage Debt Service Fund. See "USE AND DISTRIBUTION OF BOND PROCEEDS."

(h) The District authorized publication of its intent to levy a total tax rate of $1.21 per $100 of taxable assessed valuation, of which $0.87 per $100 of taxable assessed valuation is allocated to debt service and $0.34 per $100 of taxable assessed valuation is allocated to maintenance and operations. The District expects to adopt such tax rate in October 2021. See "TAX DATA—Historical Tax Rate Distribution."

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

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

(k) See "THE DISTRICT—Status of Development."

(l) Based upon 3.5 persons per occupied single-family residence and 2 persons per occupied multi-family residence (assumes 90% occupancy on completed units).

OFFICIAL STATEMENT

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194

(A political subdivision of the State of Texas located within Fort Bend County)

$5,800,000

UNLIMITED TAX BONDS
SERIES 2021

This OFFICIAL STATEMENT provides certain information in connection with the issuance by Fort Bend County Municipal Utility District No. 194 (the “District”) of its $5,800,000 Unlimited Tax Bonds, Series 2021 (the “Bonds”).

The Bonds are issued by the District pursuant to an order of the Texas Commission on Environmental Quality (the “TCEQ”), a resolution authorizing the issuance of the Bonds (the “Bond Resolution”) adopted by the Board of Directors of the District (the “Board”), Article XVI, Section 59 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, as amended, an election held within the District, and general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas.

This OFFICIAL STATEMENT includes descriptions, among others, of the Bonds and the Bond Resolution, and certain other information about the District, LM Development L.P. (“LM Development”), DR Horton Texas Ltd. (“DR Horton”) and development activity in the District. LM Development and DR Horton are collectively referred to herein as the “Developers.” All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each document. Copies of documents may be obtained from Allen Boone Humphries Robinson LLP, Bond Counsel, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027.

THE BONDS

Description

The Bonds will be dated October 1, 2021, with interest accruing from the Date of Delivery, payable each March 1 and September 1, beginning March 1, 2022 (the “Interest Payment Date”), and will mature on the dates and in the principal amounts and accrue interest at the rates shown on the cover page hereof. The Bonds are issued in fully registered form, in denominations of $5,000 or any integral multiple of $5,000. Interest calculations are based on a 360-day year comprised of twelve 30-day months.

Method of Payment of Principal and Interest

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

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

Source of Payment

While the Bonds or any part of the principal thereof or interest thereon remains outstanding and unpaid, the District covenants to levy and annually assess and collect in due time, form and manner, and at the same time as other District taxes are appraised, levied and collected, in each year, a continuing direct annual ad valorem tax, without limit as to rate or amount, upon all taxable property in the District sufficient to pay the interest on the Bonds as the same becomes due and to pay each installment of the principal of the Bonds as the same matures, with full allowance being made for delinquencies and costs of collection. In the Bond Resolution, the District covenants that said taxes are irrevocably pledged to the payment of the interest on and principal of the Bonds and to no other purpose.

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

Funds

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

The District also maintains a Road Debt Service Fund that is not pledged to the Water, Sewer and Drainage Bonds, including the Bonds. Funds in the Road Debt Service Fund are not available to pay principal and interest on the Bonds or the Outstanding Water, Sewer and Drainage Bonds and funds in the Water, Sewer and Drainage Debt Service Fund are not available to pay principal and interest on the Outstanding Road Bonds.

Twelve (12) months of capitalized interest shall be deposited into the Water, Sewer and Drainage Debt Service Fund upon receipt. The remaining proceeds of sale of the Bonds shall be deposited into the Water, Sewer and Drainage Capital Projects Fund, to be used for the purpose of reimbursing the Developers for certain construction costs and for paying the costs of issuance of the Bonds. Any monies remaining in the Water, Sewer and Drainage Capital Projects Fund will be used as described in the Bond Resolution or ultimately transferred to the Water, Sewer and Drainage Debt Service Fund. See "USE AND DISTRIBUTION OF BOND PROCEEDS" for a complete description of the use of Bond proceeds and the projects related thereto.

Redemption Provisions

Mandatory Redemption: The Bonds maturing on September 1 in each of the years 2033, 2036, 2039 and 2046 (the "Term Bonds") shall be redeemed, at a price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption (the "Mandatory Redemption Date"), on 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):

$480,000 Term Bonds Due September 1, 2033	
Mandatory Redemption Date	Principal Amount
2032	$ 240,000
2033 (maturity)	240,000

$480,000 Term Bonds Due September 1, 2036	
Mandatory Redemption Date	Principal Amount
2035	$ 240,000
2036 (maturity)	240,000

$720,000 Term Bonds Due September 1, 2039	
Mandatory Redemption Date	Principal Amount
2037	$ 240,000
2038	240,000
2039 (maturity)	240,000

$1,440,000 Term Bonds Due September 1, 2046	
Mandatory Redemption Date	Principal Amount
2041	$ 240,000
2042	240,000
2043	240,000
2044	240,000
2045	240,000
2046 (maturity)	240,000

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

Optional Redemption: The District reserves the right, at its option, to redeem the Bonds maturing on 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 of par value plus unpaid accrued interest on the principal amounts called for redemption from the most recent Interest Payment Date to the date fixed for redemption.

If a Bond subject to redemption is in a denomination larger than $5,000, a portion of such Bond may be redeemed, but only in integral multiples of $5,000. Upon surrender of any Bond for redemption in part, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a Bond or Bonds of like maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

Notice of any redemption identifying the Bonds to be redeemed in whole or in part shall be given by the Paying Agent/Registrar at least thirty (30) days prior to the date fixed for redemption by sending written notice by first class mail to the Registered Owner of each Bond to be redeemed in whole or in part at the address shown on the Register. Such notices shall state the redemption date, the redemption price, the place at which the Bonds are to be surrendered for payment and, if less than all the Bonds outstanding are to be redeemed, the numbers of the Bonds or the portions thereof to be redeemed. Any notice given shall be conclusively presumed to have been duly given, whether or not the Registered Owner receives such notice. By the date fixed for redemption, due provision shall be made with the Paying Agent/Registrar for payment of the redemption price of the Bonds or portions thereof to be redeemed, plus accrued interest to the date fixed for redemption. When Bonds have been called for redemption in whole or in part and due provision has been made to redeem the same as herein provided, the Bonds or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Registered Owners to collect interest which would otherwise accrue after the redemption date on any Bond or portion thereof called for redemption shall terminate on the date fixed for redemption.

Authority for Issuance

At an election held on May 10, 2008 (the "Election"), the voters of the District authorized the issuance of an aggregate of $68,550,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring a water, sanitary sewer and storm drainage system. The Bonds are being issued pursuant to such authorization. See "Issuance of Additional Debt" below and "INVESTMENT CONSIDERATIONS—Future Debt."

The TCEQ has authorized the District to sell the Bonds subject to certain restrictions, including the use of Bond proceeds as summarized in "USE AND DISTRIBUTION OF BOND PROCEEDS."

The Bonds are issued by the District pursuant to the Election, an Order of the TCEQ, the terms and conditions of the Bond Resolution, Article XVI, Section 59 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, as amended, and general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas.

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

Registration and Transfer

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

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

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

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

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

Lost, Stolen or Destroyed Bonds

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

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

Replacement of Paying Agent/Registrar

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

Issuance of Additional Debt

At bond elections held within the District, voters of the District have authorized the issuance of $68,550,000 principal amount of unlimited tax bonds for the purpose of constructing and/or acquiring water, sewer and drainage facilities, $34,275,000 principal amount of unlimited tax bonds for refunding such bonds, $7,000,000 principal amount of unlimited tax bonds for the purpose of constructing and/or acquiring parks and recreational facilities and for refunding such bonds, and $44,000,000 principal amount of unlimited tax bonds for constructing roads and related improvements and for refunding such bonds, and could authorize additional amounts. The outstanding principal amount of park bonds may not exceed an amount equal to one percent (1%) of the value of the taxable property in the District at the time of issuance of the bonds, unless effective June 14, 2021, the District meets certain financial feasibility requirements under the TCEQ rules, in which case the outstanding principal amount of such bonds issued by the District may exceed an amount equal to one percent (1%) but not three percent (3%) of the value of the taxable property in the District.

After the issuance of the Bonds, the District will have $25,860,000 principal amount of unlimited tax bonds for constructing and/or acquiring water, sewer and drainage facilities authorized but unissued. In addition, the District currently has $21,740,000 principal amount of unlimited tax bonds authorized but unissued for roads and related improvements (and for refunding such bonds), $34,000,000 principal amount of unlimited tax refunding bonds authorized but unissued, and all of the unlimited tax bonds for constructing and/or acquiring parks and recreational facilities (and for refunding such bonds) authorized but unissued. See "INVESTMENT CONSIDERATIONS—Future Debt."

Annexation by the City of Houston

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

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

Strategic Partnership Agreement

The District has entered into a Strategic Partnership Agreement (the "SPA") with the City of Houston, effective December 19, 2011 and amended May 14, 2013, pursuant to Chapter 43 of the Texas Local Government Code. The SPA provides for a "limited purpose annexation" of that portion of the District developed for retail and commercial purposes in order to apply certain City of Houston health, safety, planning and zoning ordinances and to impose a sales tax within that portion of the District. Residential development within the District is not subject to the limited purpose annexation. Pursuant to the terms of the SPA, certain commercial tracts within the District have been annexed into the City of Houston for limited purposes and the City of Houston has imposed a one percent (1%) sales and use tax (but no property tax) within the areas of limited-purpose annexation and agreed to remit one-half of such sales and use tax to the District to be used for any lawful District purpose. The SPA also provides that the City of Houston will not annex the District for "full purposes" for at least thirty (30) years from the effective date of the SPA. Also, as a condition to full purpose annexation under the SPA, any unpaid reimbursement obligations due to a developer by the District must be assumed by the City of Houston to the maximum extent permitted by TCEQ rules.

Consolidation

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

No Arbitrage

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

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 Resolution, or defaults in the observation or performance of any other covenants, conditions, or obligations set forth in the Bond Resolution, the Registered Owners have the statutory right of a writ of mandamus issued by a court of competent jurisdiction requiring the District and its officials to observe and perform the covenants, obligations, or conditions prescribed in the Bond Resolution. Except for mandamus, the Bond Resolution does not specifically provide for remedies to protect and enforce the interests of the Registered Owners. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Further, there is no trust indenture or trustee, and all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the Registered Owners. Statutory language authorizing local governments such as the District to sue and be sued does not waive the local government's sovereign immunity from suits for money damages, so that in the absence of other waivers of such immunity by the Texas Legislature, a default by the District in its covenants in the Bond Resolution may not be reduced to a judgment for money damages. If such a judgment against the District were obtained, it could not be enforced by direct levy and execution against the District's property. Further, the Registered Owners cannot themselves foreclose on property within the District or sell property within the District to enforce the tax lien on taxable property to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the Registered Owners may further be limited by a State of Texas statute reasonably required to attain an important public purpose or by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions, such as the District. See "INVESTMENT CONSIDERATIONS—Registered Owners' Remedies and Bankruptcy Limitations."

Legal Investment and Eligibility to Secure Public Funds in Texas

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

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

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

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

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

Defeasance

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

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

There is no assurance that the current law will not be changed in the future in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds.

BOOK-ENTRY-ONLY SYSTEM

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

The District cannot and does not give any assurances that DTC, DTC Direct Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) prepayment or other notices sent to DTC or Cede & Co., its nominee, as the Registered Owner of the Bonds, or that they will do so on a timely basis or that DTC, DTC Direct Participants or DTC Indirect Participants will act in the manner described in this OFFICIAL STATEMENT. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedure" of DTC to be followed in dealing with DTC Direct Participants is on file with DTC.

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

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a rating of "AA+" by S&P Global Ratings. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

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

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

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

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

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

USE AND DISTRIBUTION OF BOND PROCEEDS

The construction costs below were compiled by the District and were submitted to the TCEQ in the District's bond application. Non-construction costs are based upon either contract amounts, or estimates of various costs by Costello, Inc. (the "Engineer") and Masterson Advisors LLC (the "Financial Advisor"). The actual amounts to be reimbursed by the District and the non-construction costs will be finalized after the sale of the Bonds and review by the District's auditor. Surplus funds, if any, may be expended for any lawful purpose for which surplus construction funds may be used, if approved by the TCEQ, where required.

I.	**CONSTRUCTION COSTS**	
	Water, Wastewater and Drainage Facilities Serving:	
	• Long Meadow Farms, Section Thirty-Eight	$ 771,807
	• Long Meadow Farms, Section Forty-Six	298,112
	• 42.67-Acre Tract	396,815
	• Water and Wastewater Connection/ Capacity Purchases	2,985,750
	• Construction Related Legal Fees	14,667
	• Engineering & Geotech	301,515
	Total Construction Costs	**$ 4,768,666**
II.	**NON-CONSTRUCTION COSTS**	
	• Underwriter's Discount (a)	$ 97,427
	• Capitalized Interest (a)	155,800
	• Developer Interest (estimated)	332,287
	Total Non-Construction Costs	**$ 585,514**
III.	**ISSUANCE COSTS AND FEES**	
	• Issuance Costs and Professional Fees	$ 307,247
	• Bond Application Report Cost	52,500
	• State Regulatory Fees	20,300
	• Contingency (a)	65,773
	Total Issuance Costs and Fees	**$ 445,820**
	TOTAL BOND ISSUE	**$ 5,800,000**

(a) The TCEQ approved a maximum Underwriter's discount of 2.00% and twelve (12) months of capitalized interest. Contingency represents the difference in the estimated and actual amounts of Underwriter's discount and capitalized interest.

LONG MEADOW FARMS

The District is being developed as a mixed use project and is a part of the master-planned community of Long Meadow Farms, which also includes adjacent Fort Bend County Municipal Utility District No. 146 ("MUD 146"), an 825-acre development where approximately 1,696 lots have been developed and homes constructed along with commercial development.

THE DISTRICT

General

The District is a municipal utility district created by an order of the TCEQ dated March 6, 2008, after a hearing on a petition for creation submitted by LM Development and LM Land Holdings, LP. The rights, powers, privileges, authority and functions of the District are established by the general laws of the State of Texas pertaining to utility districts, particularly Article XVI, Section 59 and Article III, Section 52 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, as amended, and Chapter 8317 of the Special District Local Laws Code.

The District is empowered, among other things, to purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the supply and distribution of water; 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 and roads. The District is also authorized to develop parks and recreational facilities and related improvements, including the issuance of bonds payable from taxes for such purposes. The District is also empowered to establish, operate, and maintain fire-fighting facilities, independently or with one or more conservation and reclamation districts or municipalities. See "THE BONDS—Issuance of Additional Debt."

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

Description and Location

At the time of creation, the District contained approximately 284 acres of land. Subsequent to creation, the District annexed approximately 247 acres, which brings the total District acreage to approximately 531 acres. The District is located approximately 23 miles southwest of the central downtown business district of the City of Houston and lies wholly within the extraterritorial jurisdiction of the City of Houston. The District is within the boundaries of the Lamar Consolidated Independent School District. The District is located at the intersection of Texas State Highway 99 and West Bellfort.

Fort Bend County Assistance District No. 2

A portion of the District lies within the Fort Bend County Assistance District No. 2 ("FBCAD2"), which levies a 1% sales tax upon property within its boundaries. Pursuant to an agreement between the District and FBCAD2, a portion of the sales tax revenue generated by FBCAD2 within the District was used to finance the cost of construction of certain roads benefiting the District not funded with Road Bond proceeds.

Fire Protection

The District receives fire protection via a TCEQ Approved Fire Plan and a contract with the City of Richmond effective December 1, 2013, and an election held on November 3, 2015. The City of Richmond operates Fire Station No. 3 which is located within two miles of the District. Pursuant to the Fire Protection Agreement, the District pays a monthly charge that will be adjusted by 100% of the increase, if any, between the most recently published Consumer Price Index ("CPI") and the CPI for the preceding calendar year, not to exceed a monthly charge of $15.00 per unit. The District's current monthly charge is $14.27 per unit. When and if the District is annexed by the City of Houston, and dissolved, the Fire Protection Agreement with the City of Richmond terminates. District customers currently pay a mandatory fee in their monthly utility bill for fire protection.

Land Use

The District currently includes approximately 237 acres of single-family residential lot development (669 lots), approximately 125 acres of commercial/retail tracts, approximately 58 acres of multi-family development and approximately 111 undevelopable acres (drainage and pipeline easements, street rights-of-way and utility sites). The table below represents a detailed breakdown of the current acreage and development in the District. See "AERIAL PHOTOGRAPH."

Single-Family Residential (a)	Approximate Acres	Lots/Units
Long Meadow Farms:		
Section Thirty	19	54
Section Thirty-One	13	52
Section Thirty-Two	22	63
Section Thirty-Eight	12	52
Section Thirty-Nine	10	37
Section Forty	39	51
Section Forty-One	20	86
Section Forty-Two	15	49
Section Forty-Three	45	68
Section Forty-Four	16	62
Section Forty-Five	15	60
Section Forty-Six	11	35
Subtotal	237	669
Multi-Family (b)	58	1,036
Commercial/Retail	125	---
Future Development	0	---
Non-Developable (c)	111	---
	531	1,705

(a) Includes public rights-of-way, detention, open spaces, easements and utility sites within the single family residential development.
(b) Includes 336 completed apartment units on approximately 17 acres, 300 completed apartment units on approximately 21 acres and 400 completed apartment units on approximately 20 acres. See "Status of Development-Multi-Family Residential" below.
(c) Includes public rights-of-way, detention, open spaces, easements and utility sites that will not be developed for taxable purposes.

Status of Development

Commercial/Retail: Development in the District includes approximately 125 acres of retail and commercial tracts that have been provided with all necessary water, sewer and drainage facilities. a 187,000 square foot entertainment facility with 22 movie screens (including IMAX and HD screens), 2 restaurants/bars, a studio retail store, a chocolate shop and a 16 lane bowling alley has been constructed on approximately 20 acres. Gallery Furniture has constructed an approximately 160,000 square foot retail showroom on approximately 12 acres within the District. Commercial development includes a stand-alone Taco Bell; a 15,000 square foot retail center constructed on approximately 4 acres (100% occupied) where Jack In The Box, a dentist's office, a frozen yogurt shop, a nail salon and a liquor store are located; a 15,000 square foot retail center on approximately 2 acres (100% occupied) where Wendy's, Little Caesar's Pizza, Goodwill, Today's Vision, a nail salon, Small Vet Clinic and Mattress One are located; a 15,000 square foot retail center on approximately 2 acres (100% occupied) where a Shell service station/convenience store with a McDonald's and a car wash are located; a 15,000 square foot retail center on approximately 2 acres (100% occupied) where an urgent care facility, Pearle Vision, a dentist's office, office for Partners in Building, Mexican restaurant, a spa/salon and a pizza restaurant are located; a 15,000 square foot retail center on approximately 2 acres currently occupied by a Subway, Mattress Firm, a dentist's office and a doctor's office; and a 39,000 square foot retail center on approximately 4 acres with a print/ship shop, sports grill, Thai restaurant, liquor store and 2 other small retail businesses. See "TAX DATA—Principal Taxpayers" and INVESTMENT CONSIDERATIONS—Infectious Disease Outlook (COVID-19)" and "—Dependence on Principal Taxpayers."

Single-Family Residential: As of July 2021, 669 single-family residential lots have been completed on approximately 237 acres, 668 homes were completed (667 occupied), 1 home were under construction or in a builder's name, and no vacant developed lots were available for home construction. Single family home values within the District range from approximately $280,000 to $425,000. The estimated population in the District based upon 3.5 persons per occupied residence and 2 persons per occupied multi-family residence (assumes 90% occupancy) is 4,199.

Multi-Family Residential: Approximately 58 acres have been served with utilities for multi-family use. A 336-unit apartment community has been constructed on approximately 17 acres, a 300-unit apartment community has been constructed on approximately 21 acres and a 400-unit apartment community has been constructed on approximately 20 acres.

Homebuilders

DR Horton is building homes in the District.

THE DEVELOPERS

Role of a Developer

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

Prospective Bond purchasers should note that the prior real estate experience of LM Development and DR Horton should not be construed as an indication that further development within the District will occur, or that construction of taxable improvements upon property within the District will occur, or that marketing or leasing of taxable improvements constructed upon property within the District will be successful. See "INVESTMENT CONSIDERATIONS—Dependence on Principal Taxpayers."

LM Development L.P.

The original developer of the land in the District was LM Development L.P. ("LM Development"), a Texas limited partnership. The general partner of LM Development is LM Farms Inc and LM Development has contracted with C&O Development Corporation ("C&O"), a Texas corporation, doing business as Trend Development, Inc. ("Trend") for the day-to-day management of Long Meadow Farms. LM Development has completed its development activity in the District.

DR Horton Texas Ltd.

DR Horton Texas Ltd. ("DR Horton") has developed approximately 42 acres within the District where 157 single-family residential lots have been constructed.

DR Horton is wholly owned by DR Horton, Inc., a Delaware corporation and publicly held company, the stock of which is listed on the New York Stock Exchange under the ticker symbol "DHI."

MANAGEMENT OF THE DISTRICT

Board of Directors

The District is governed by the Board, consisting of five (5) directors, which has control over and management supervision of all affairs of the District. Directors are elected to four-year staggered terms and elections are held in May in even numbered years only. Two of the Board members reside within the District and each of the other Board members owns land within the District subject to a deed of trust in favor of LM Development. The current members and officers of the Board along with their titles and terms, are listed as follows:

Name	Title	Term Expires
Justin Morales	President	May 2024
Matthew Turman	Vice President	May 2022
June Tang	Secretary	May 2024
Fernando Lopez	Assistant Vice President & Assistant Secretary	May 2022
Mark Justiniano	Assistant Secretary	May 2024

District Consultants

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

Bond Counsel/Attorney: The District has engaged Allen Boone Humphries Robinson LLP as general counsel to the District and as Bond Counsel in connection with the issuance of the District's bonds. The fees of the attorneys in their capacity as Bond Counsel are contingent upon the sale and delivery of the Bonds. Compensation to the attorneys for other services to the District is based on time charges actually incurred.

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

Independent Auditor: The District's financial statements for the fiscal year ending December 31, 2020, were prepared by the independent accounting firm of McCall Gibson Swedlund Barfoot, PLLC, Certified Public Accountants. See "APPENDIX A" for a copy of the audited financial statement of the District as of December 31, 2020.

Engineer: The District's consulting engineer is Costello, Inc. (the "Engineer").

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

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

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

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

THE SYSTEM

Regulation

Construction and operation of the District's water, sewer and drainage facilities as they now exist or as they may be expanded from time to time are subject to regulatory jurisdiction of federal, state and local authorities. The TCEQ exercises continuing, supervisory authority over the District. Discharge of treated sewage into Texas waters, if any, is also subject to the regulatory authority of the TCEQ and the United States Environmental Protection Agency. Construction of drainage facilities is subject to the regulatory authority of the Fort Bend County Drainage District. Fort Bend County, the City of Houston, and the Texas Department of Health also exercise regulatory jurisdiction over the District's system.

Water Supply

Water supply for the District is provided by three water plants owned and operated by MUD 146 and by surface water received from the North Fort Bend Water Authority (the "Authority"). Water Plant No. 1 consists of a 1,500 gallon per minute ("gpm") water well, two 15,000 gallon pressure tanks, two 311,499 gallon ground storage facilities and 4,500 gpm of booster pump capacity. Water Plant No. 2 consists of a 350 gpm water well, a 5,000 gallon pressure tank, a 73,469 gallon ground storage tank and 1,050 gpm of booster pump capacity. Water Plant No. 3, Phase I consists of a 20,000 gallon pressure tank, a 227,500 gallon ground storage facility and 2,790 gpm of booster pump capacity. Water Plant No. 3, Phase 1A consists of a 25,000 gallon pressure tank, and Water Plant No. 3, Phase 2 consists of a 25,000 gallon pressure tank, a 227,500 gallon storage facility and 2,790 gpm of booster pump capacity. The Authority supplies surface water to the water plants owned and operated by MUD 146. All three water plants adequately serve 5,500 equivalent single- family connections ("esfcs"). The District contracts with MUD 146 for the supply of water. The District has 1,699 esfcs allocated to it. As of July 2021, the District was serving 785 esfcs (including 668 completed homes, 1 home under construction or in a builder's name, three multi-family connections, and 24 commercial accounts).

Subsidence and Conversion to Surface Water Supply

The District and MUD 146 are within the boundaries of the Fort Bend Subsidence District (the "Subsidence District"), which regulates groundwater withdrawal. MUD 146's authority to pump groundwater is subject to an annual permit issued by the Subsidence District. The Subsidence District has adopted regulations requiring reduction of groundwater withdrawals through conversion to alternate source water (e.g., surface water) in certain areas within the Subsidence District's jurisdiction, including the area within the District. In 2005, the Texas legislature created the Authority to, among other things, reduce groundwater usage in, and to provide surface water to, the northern portion of Fort Bend County (including the District) and a small portion of Harris County. The Authority has entered into a Water Supply Contract with the City of Houston to obtain treated surface water from the City of Houston. The Authority has developed a groundwater reduction plan ("GRP") and obtained Subsidence District approval of its GRP. The Authority's GRP sets forth the Authority's plan to comply with Subsidence District regulations, construct surface water facilities, and convert users from groundwater to alternate source water (e.g., surface water). The District is included within the Authority's GRP.

The Authority, among other powers, has the power to: (i) issue debt supported by the revenues pledged for the payment of its obligations; (ii) establish fees (including fees imposed on MUD 146 for groundwater pumped and surface water received), user fees, rates, charges and special assessments as necessary to accomplish its purposes; and (iii) mandate water users, including MUD 146, to convert from groundwater to surface water. The Authority currently charges MUD 146 and other major groundwater users, a fee per 1,000 gallons based on the amount of groundwater pumped and a fee per 1,000 gallons based on the amount of surface water received from the Authority. The Authority has issued revenue bonds to fund, among other things, Authority surface water project costs. It is expected that the Authority will continue to issue a substantial amount of bonds by the year 2025 to finance the Authority's project costs, and it is expected that the fees charged by the Authority will increase substantially over such period.

Under the Subsidence District regulations and the GRP, the Authority is required to: (i) limit groundwater withdrawals to no more than 70% of the total annual water demand of the water users within the Authority's GRP, beginning in the year 2014; and (ii) limit groundwater withdrawals to no more than 40% of the total annual water demand of the water users within the Authority's GRP, beginning in the year 2025. If the Authority fails to comply with the above Subsidence District regulations, the Authority is subject to a disincentive fee per 1,000 gallons ("Disincentive Fees") imposed by the Subsidence District for any groundwater withdrawn in excess of 40% of the total annual water demand in the Authority's GRP. In the event of such Authority failure to comply, the Subsidence District may also seek to collect Disincentive Fees from MUD 146. If MUD 146 failed to comply with surface water conversion requirements mandated by the Authority, the Authority would likely seek monetary or other penalties against MUD 146, which would be passed through in part to the District.

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

Wastewater Treatment

Wastewater from the District is treated by a 1.2 million gallon per day ("gpd") interim wastewater treatment plant owned and operated by MUD 146. Currently, the facility adequately serves 5,333 esfcs, of which 1,574 esfcs have been allocated to the District. As of July 2021, the District was serving 785 equivalent single-family connections (including 668 completed homes, 1 home under construction or in a builder's name, three multi-family connections, and 24 commercial accounts).

Water Distribution, Wastewater Collection and Storm Drainage Facilities

Water, sewer and drainage facilities have been constructed to serve approximately 125 acres of commercial/retail tracts, approximately 58 acres of multi-family development (1,036 units) and 669 single-family residential lots. See "THE DISTRICT—Land Use."

The District contracts with Fort Bend County Levee Improvement District No. 12 ("LID 12") for property developed within the Long Point Slough Watershed to purchase capacity in outfall improvements constructed by LID 12. The contracts between the District and LID 12 provide the per acre capacity fee for the subject development as well as the District's agreement to pay the District's pro rata share of future maintenance of the outfall improvements and the formula for calculating such pro rata share.

100-Year Flood Plain

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

According to the Engineer, there are currently no developable areas within the District within the delineated 100-year flood plain as shown on the effective Federal Emergency Management Agency ("FEMA") Flood Insurance Rate Maps. All areas of the District are shown to be in an area defined as outside of the 500-year floodplain. See "INVESTMENT CONSIDERATIONS—Extreme Weather Events; Hurricane Harvey."

The National Oceanic and Atmospheric Administration (NOAA) recently published updated rainfall data, known as Atlas 14, Precipitation-Frequency Atlas of the United States, Volume 11 Version 2.2: Texas. The data presents higher statistical rainfall amounts in the Greater Houston Area than previous data. The use of this updated rainfall data in future floodplain studies may result in floodplain boundaries which encompass existing developed areas within the District, and greater extents and depths of flooding on undeveloped property within the District. The regulatory agencies have implemented interim floodplain development regulations which require stormwater detention and drainage improvements which may reduce the amount of currently developable property within the District. Should remapping of the FEMA 100-year floodplain occur, the properties within the District may become subject to higher flood insurance rates for existing properties, and there may be increased development costs/fees and stricter building codes for developable properties within the expanded floodplain boundaries.

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Operating Fund

The Bonds are payable from the levy of an ad valorem tax, without legal limitation as to rate or amount, upon all taxable property in the District. Net revenues, if any, derived from the operation of the District's water and sewer operations are not pledged to the payment of the Bonds but are available for any lawful purpose.

The following statement sets forth in condensed form, the General Operating Fund, as shown in the District's audited financial statements for the fiscal years ended December 31, 2017 through December 31, 2020 and an unaudited summary for the period ended June 30, 2021 as provided by the Bookkeeper. Accounting principles customarily employed in the determination of net revenues have been observed and in all instances exclude depreciation. Reference is made to "APPENDIX A" for further and complete information.

	1/1/2021 to 6/30/2021 (a)	Fiscal Year Ended December 31			
	(Unaudited)	2020	2019	2018	2017
Revenues					
Property Taxes	$ 1,317,824	$ 1,237,248	$ 973,014	$ 913,882	$ 740,544
Water Service	221,477	500,133	436,088	385,130	360,847
Wastewater Service	119,982	244,340	214,098	188,319	164,190
Fire Protection	151,497	324,958	259,260	198,481	163,069
Sales Tax Revenue	144,447	287,342	356,226	433,124	369,354
Regional Water Authority Fees	241,562	569,346	475,092	383,749	320,113
Tap Connection and Inspection Fees	111,558	364,930	309,089	279,180	397,390
Other	13,150	63,900	96,222	81,708	34,181
Total Revenues	$ 2,321,497	$ 3,592,197	$ 3,119,089	$ 2,863,573	$ 2,549,688
Expenditures					
Professional Fees	$ 90,609	$ 189,202	$ 172,775	$ 170,654	$ 222,847
Contracted Services	306,596	550,443	509,948	425,222	367,746
Purchased Services	503,892	928,282	740,051	581,681	506,617
Repairs and Maintenance	95,593	374,216	1,440,922	264,419	239,905
Other	104,549	390,429	360,060	290,028	394,396
Capital Outlay	19,032	191,178	-	1,280,005 (b)	2,118,672 (c)
Total Expenditures	$ 1,120,271	$ 2,623,750	$ 3,223,756	$ 3,012,009	$ 3,850,183
Revenues Over (Under) Expenditures	$ 1,201,226	$ 968,447	$ (104,667)	$ (148,436)	$(1,300,495)
Other Sources					
Developer Advance	$ -	$ -	$ -	$ -	$ -
Contributed by Fort Bend County	$ -	$ -	$ -	$ -	1,278,443 (d)
Transfers In (Out)	$ -	$ -	$ 147,648	$ (82,549)	$ -
Fund Balance (Beginning of Year)	$ 2,415,788	$ 1,447,341	$ 1,404,360	$ 1,635,345	$ 1,657,397
Fund Balance (End of Year)	$ 3,617,014	$ 2,415,788	$ 1,447,341	$ 1,404,360	$ 1,635,345

(a) Unaudited, provided by the Bookkeeper.
(b) Represents District's share of the construction costs for the Water Plant No. 3, Phase 2 improvements.
(c) Includes approximately $1,278,443 for the District's portion of Grand Parkway access road, approximately $713,298 for the Mason Road extension, $103,000 for engineering fees for the Water Plant No. 3, Phase 2 improvements and approximately $22,000 in Developer reimbursement.
(d) Represents reimbursement from Fort Bend County for District participation in the Grand Parkway access road project.

FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)

2021 Taxable Assessed Valuation	$465,041,789	(a)
Estimated Taxable Assessed Valuation as of July 15, 2021	$484,188,050	(b)
Gross Direct Debt Outstanding	$57,825,000	(c)
Estimated Overlapping Debt	26,847,418	(d)
Gross Direct Debt and Estimated Overlapping Debt	$84,672,418	
Ratios of Gross Direct Debt to:		
2021 Taxable Assessed Valuation	12.43%	(e)
Estimated Taxable Assessed Valuation as of July 15, 2021	11.94%	(e)
Ratios of Gross Direct Debt and Estimated Overlapping Debt to:		
2021 Taxable Assessed Valuation	18.21%	(e)
Estimated Taxable Assessed Valuation as of July 15, 2021	17.49%	(e)
Funds Available for Debt Service as of August 10, 2021:		
Road Debt Service Funds	$1,259,935	(f)
Capitalized Interest from Bond Proceeds for Water, Sewer and Drainage Debt Service	155,800	(g)
Water, Sewer and Drainage Debt Service Funds	2,515,531	(f,g)
Total Debt Service Funds Available	$3,931,266	
Operating Funds Available as of August 10, 2021	$3,516,100	
Capital Projects Funds Available as of August 10, 2021	$4,026,066	

(a) The Appraisal District has certified $461,846,229 of taxable value as of January 1, 2021. An additional $3,195,560 of taxable value remains uncertified, subject to downward revision prior to certification. The 2021 Taxable Assessed Valuation shown throughout the OFFICIAL STATEMENT represents the certified value plus the uncertified value. See "TAXING PROCEDURES."

(b) Provided by the Appraisal District for information purposes only. Such amount reflects the estimated value as of July 15, 2021. Taxes are levied based on value as certified by the Appraisal District as of January 1 of each year. No taxes will be levied upon such amount until it is certified by the Appraisal District. See "TAXING PROCEDURES."

(c) Includes the Bonds and the Outstanding Bonds and after the District's September 1, 2021 principal payment in the amount of $1,815,000. See "Outstanding Debt" herein.

(d) See "Estimated Overlapping Debt" herein.

(e) The debt ratios throughout the OFFICIAL STATEMENT exclude the District's September 1, 2021 principal payment in the amount of $1,815,000, funds for which are included in the Debt Service Fund balance shown throughout the OFFICIAL STATEMENT.

(f) Although all of the District's debt, including the Outstanding Bonds and the Bonds, is payable from an unlimited tax pledge on parity, a pro rata portion of the District's ad valorem tax revenue will be allocated to the Outstanding Water, Sewer and Drainage Bonds including the Bonds, and a pro rata portion will be allocated to the Outstanding Road Bonds. See "Outstanding Debt" herein. The Water, Sewer and Drainage Debt Service Fund is not pledged to the Outstanding Road Bonds nor will funds deposited into the Road Debt Service Fund be pledged to the Outstanding Water, Sewer and Drainage Bonds or the Bonds.

(g) The District will capitalize twelve (12) months of interest on the Bonds that will be deposited in the Water, Sewer and Drainage Debt Service Fund. See "USE AND DISTRIBUTION OF BOND PROCEEDS."

Investments of the District

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

Debt Service Requirements

The following sets forth the debt service on the Outstanding Bonds (see "Outstanding Debt" in this section) and the Bonds. The schedule below excludes the September 1, 2021 debt service payment in the amount of $2,533,906 and does not reflect the fact that the District will capitalize twelve (12) months of interest on the Bonds. See "USE AND DISTRIBUTION OF BOND PROCEEDS."

Year	Outstanding Bonds Debt Service Requirements	Plus: Debt Service on the Bonds			Total Debt Service Requirements
		Principal	Interest	Total	
2022	$ 3,625,710.83		$ 131,564.44	$ 131,564.44	$ 3,757,275.28
2023	3,762,012.50	$ 245,000	155,800.00	400,800.00	4,162,812.50
2024	3,705,837.50	245,000	144,775.00	389,775.00	4,095,612.50
2025	3,656,737.50	245,000	133,750.00	378,750.00	4,035,487.50
2026	3,604,025.00	245,000	122,725.00	367,725.00	3,971,750.00
2027	3,563,000.00	245,000	111,700.00	356,700.00	3,919,700.00
2028	3,527,525.00	245,000	106,800.00	351,800.00	3,879,325.00
2029	3,487,587.50	245,000	101,900.00	346,900.00	3,834,487.50
2030	3,436,550.00	245,000	97,000.00	342,000.00	3,778,550.00
2031	3,387,968.76	240,000	92,100.00	332,100.00	3,720,068.76
2032	3,361,050.00	240,000	87,300.00	327,300.00	3,688,350.00
2033	3,300,587.50	240,000	82,500.00	322,500.00	3,623,087.50
2034	3,253,400.00	240,000	77,700.00	317,700.00	3,571,100.00
2035	3,205,500.00	240,000	72,600.00	312,600.00	3,518,100.00
2036	3,146,006.26	240,000	67,200.00	307,200.00	3,453,206.26
2037	3,094,568.76	240,000	61,800.00	301,800.00	3,396,368.76
2038	3,041,275.00	240,000	55,800.00	295,800.00	3,337,075.00
2039	2,627,181.26	240,000	49,800.00	289,800.00	2,916,981.26
2040	2,563,287.50	240,000	43,800.00	283,800.00	2,847,087.50
2041	1,363,762.50	240,000	37,800.00	277,800.00	1,641,562.50
2042	1,324,137.50	240,000	31,500.00	271,500.00	1,595,637.50
2043	1,289,268.76	240,000	25,200.00	265,200.00	1,554,468.76
2044	848,650.00	240,000	18,900.00	258,900.00	1,107,550.00
2045	198,550.00	240,000	12,600.00	252,600.00	451,150.00
2046	194,275.00	240,000	6,300.00	246,300.00	440,575.00
Total	$ 68,568,454.63	$ 5,800,000	$1,928,914.44	$ 7,728,914.44	$ 76,297,369.08

Average Annual Debt Service Requirements (2022-2046) $3,051,895
Maximum Annual Debt Service Requirement (2023) $4,162,813

Outstanding Debt

The District has issued $36,890,000 principal amount of unlimited tax bonds for water, sewer and drainage facilities (the "Water, Sewer and Drainage Bonds") in seven series, $21,990,000 principal amount of unlimited tax bonds for roads and related improvements (the "Road Bonds") in six series, $6,950,000 principal amount of unlimited tax refunding bonds for refunding outstanding Water, Sewer and Drainage Bonds in two series and $5,905,000 principal amount of unlimited tax road refunding bonds for refunding outstanding Road Bonds in two series, $52,025,000 of which collectively will remain outstanding after the District's September 1, 2021 principal payment of $1,815,000 (the "Outstanding Bonds"). The following table lists the original principal amount of all series of bonds issued by the District and the principal amount of the Outstanding Bonds.

Series	Original Principal Amount	Outstanding Bonds (as of 9/2/2021)
2013	$ 5,850,000	$ -
2013 (a)	3,200,000	-
2014	2,470,000	70,000
2014 (a)	3,610,000	110,000
2015	5,100,000	4,025,000
2016 (a)	4,565,000	3,610,000
2016	4,100,000	3,230,000
2017 (a)	4,975,000	4,200,000
2018	5,450,000	4,795,000
2019 (b)	4,790,000	4,740,000
2019 (c)	2,840,000	2,810,000
2019A	7,000,000	7,000,000
2020 (a)	1,170,000	1,120,000
2020 (b)	2,160,000	2,155,000
2020A (c)	3,065,000	3,055,000
2020A	6,920,000	6,635,000
2021 (a)	4,470,000	4,470,000
Total	$ 71,735,000	$ 52,025,000

(a) Unlimited tax road bonds.
(b) Unlimited tax refunding bonds.
(c) Unlimited tax road refunding bonds.

Estimated Overlapping Debt

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

Taxing Jurisdiction	Outstanding Bonds	As of	Overlapping Percent	Overlapping Amount
Fort Bend County……………………………………	$ 633,879,567	8/31/2021	0.46%	$ 2,915,846
Fort Bend County Drainage District………………..	25,405,000	8/31/2021	0.46%	116,863
Lamar Consolidated ISD…………………………….	1,337,905,000	8/31/2021	1.78%	23,814,709
Total Estimated Overlapping Debt………………….				$ 26,847,418
The District…………………………………………..	57,825,000	(a)	100.00%	57,825,000
Total Direct and Estimated Overlapping Debt……..				$ 84,672,418

Ratios of Estimated Direct and Overlapping Debt to:	
2021 Taxable Assessed Valuation of $465,041,789……………………………………………………………………	18.21%
Estimated Taxable Assessed Valuation as of July 15, 2021 of $484,188,323…………………………………………..	17.49%

(a) The Bonds and the Outstanding Bonds and after the District's September 1, 2021, principal payment in the amount of $1,815,000.

Overlapping Taxes

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

Set forth below are all of the taxes levied for the 2020 tax year by all taxing jurisdictions overlapping the District and the District's anticipated 2021 tax rate. None of the other entities have levied a 2021 tax rate, No recognition is given to local assessments for civic association dues, fire department contributions, solid waste disposal charges or any other levy of entities other than political subdivisions.

	Tax Rate per $100 of Taxable Assessed Valuation
Fort Bend County (including Drainage District)………….	$ 0.45321
Lamar Consolidated ISD……………………………………	1.26910
Total Overlapping Tax Rate………………………………..	$ 1.72231
The District(a)……………………………………………….	1.21000
Total Tax Rate………………………………………………	$ 2.93231

(a) The District authorized publication of its intent to levy a total tax rate of $1.21 per $100 of taxable assessed valuation, of which $0.87 per $100 of taxable assessed valuation is allocated to debt service and $0.34 per $100 of taxable assessed valuation is allocated to maintenance and operations. The District intends to adopt such tax rate in October 2021. See "TAX DATA—Historical Tax Rate Distribution."

TAX DATA

Debt Service Tax

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

Maintenance Tax

The Board has the statutory authority to levy and collect an annual ad valorem tax for the operation and maintenance of the District, if such a maintenance tax is authorized by the District's voters. A maintenance tax election was conducted May 10, 2008, and voters of the District authorized, among other things, the Board to levy a maintenance tax at a rate not to exceed $1.50 per $100 assessed valuation. A maintenance tax is in addition to taxes which the District is authorized to levy for paying principal of and interest on the Bonds. Additionally, at an election on November 3, 2009, voters authorized a road maintenance tax at a rate not to exceed $0.25 per $100 assessed valuation.

Historical Tax Rate Distribution

	2021 (a)	2020	2019	2018	2017
Debt Service	$ 0.87	$ 0.84	$ 0.89	$ 0.90	$ 0.88
Maintenance and Operations	0.34	0.37	0.36	0.35	0.37
Total	$ 1.21	$ 1.21	$ 1.25	$ 1.25	$ 1.25

(a) The District authorized publication of its intent to levy a total tax rate of $1.21 per $100 of taxable assessed valuation. The District intends to adopt such tax rate in October 2021.

Exemptions

For tax year 2021, the District granted a $5,000 exemption to residential homesteads of person disabled or 65 years of age or older.

Additional Penalties

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

Historical Tax Collections

The following statement of tax collections sets forth in condensed form a portion of the historical tax experience of the District. Such table has been prepared for inclusion herein, based upon information obtained from the District's Tax Assessor/Collector. Reference is made to such statements and records for further and complete information. See "Tax Roll Information" below.

Tax Year	Certified Taxable Assessed Valuation(a)	Tax Rate	Total Tax Levy	Total Collections as of July 31, 2021 (b) Amount	Percent
2016	$ 206,892,442	$ 1.250	$ 2,586,156	$ 2,584,087	99.92%
2017	247,247,295	1.250	3,090,591	3,081,010	99.69%
2018	279,222,486	1.250	3,490,281	3,469,688	99.41%
2019	345,698,485	1.250	4,321,169	4,301,291	99.54%
2020	388,624,852	1.210	4,697,943	4,661,383	99.22%
2021	465,041,789	1.210	5,627,006	(c)	(c)

(a) As certified by the Appraisal District.
(b) Unaudited.
(c) The District authorized publication of its intent to levy a total tax rate of $1.21 per $100 of taxable assessed valuation. The District intends to adopt such tax rate in October 2021.

Tax Roll Information

The District's assessed value as of January 1 of each year is used by the District in establishing its tax rate (see "TAXING PROCEDURES—Valuation of Property for Taxation"). The following represents the composition of property comprising the 2018 through 2021 Taxable Assessed Valuations, and the Estimated Taxable Assessed Valuation as of July 15, 2021. A breakdown of the uncertified portion ($3,195,560) of the 2021 Taxable Assessed Valuation is not available. Taxes are levied on taxable value certified by the Appraisal District as of January 1 of each year.

	Type of Property			Gross	Deferments		Taxable
Tax			Personal	Assessed	and		Assessed
Year	Land	Improvements	Property	Valuations	Exemptions	Uncertified	Valuations
2018	$ 67,921,688	$ 200,860,849	$ 14,492,000	$ 283,274,537	$ (4,052,011)	$ -	$ 279,222,486
2019	94,389,968	240,076,443	14,874,270	349,340,681	(3,642,196)	-	345,698,485
2020	95,390,928	284,247,410	13,481,014	393,119,352	(4,494,500)	-	388,624,852
2021	85,868,308	373,182,835	9,405,430	468,456,573	(6,610,344)	3,195,560	465,041,789
7/15/2021	86,469,258	391,368,645	9,405,430	487,243,333	(6,610,344)	3,555,061	484,188,050

Principal Taxpayers

The following table represents the ten major taxpayers, the taxable assessed valuation of such property, and such property's taxable assessed valuation as a percentage of the certified portion ($461,846,229) of the 2021 Taxable Assessed Valuation of $465,041,789. Principal taxpayer lists related to the uncertified portion ($3,195,560) of the 2021 Taxable Assessed Valuation or the Estimated Taxable Assessed Valuation as of July 15, 2021 of $484,188,050 are not available.

Taxpayer	2021 Certified Taxable Assessed Valuation	% of 2021 Certified Taxable Assessed Valuation
DD LMR II LLC (a)	$ 45,056,580	9.76%
Satori Apartments LLC (a)	33,654,000	7.29%
Advenir @ Grand Parkway LLC (a)	31,782,250	6.88%
LINMAC Corporation (c)	18,438,220	3.99%
30 West Pershing LLC (b)	15,000,000	3.25%
PPSL Legacy at Long Meadow Farms LLC (d)	9,073,530	1.96%
STMS Mason Land Ltd.	8,553,580	1.85%
POG Kosmos LMC 2 LP	8,418,540	1.82%
Fort Bend LMF Retail LLC (e)	7,200,000	1.56%
SSZ LP	4,383,710	0.95%
Total	$ 181,560,410	39.31%

(a) Apartments.
(b) Entertainment facility operated by Regal Entertainment Group.
(c) Gallery Furniture.
(d) Retirement community.
(e) Retail Center.

Tax Adequacy for Debt Service

The tax rate calculations set forth below are presented to indicate the tax rates per $100 taxable assessed valuation which would be required to meet average annual and maximum annual debt service requirements if no growth in the District's tax base occurred beyond the 2021 Taxable Assessed Valuation of $465,041,789 (comprised of $461,846,229 certified value and $3,195,560 uncertified value) or the Estimated Taxable Assessed Valuation as of July 15, 2021 of $484,188,050. The calculations contained in the following table merely represent the tax rates required to pay principal of and interest on the Bonds and the Outstanding Bonds when due, assuming no further increase or any decrease in taxable values in the District, collection of ninety-five percent (95%) of taxes levied, the sale of no additional bonds, and no other funds available for the payment of debt service. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Debt Service Requirements."

Average Annual Debt Service Requirement (2022-2046)	$3,051,895
$0.70 Tax Rate on the 2021 Taxable Assessed Valuation	$3,092,528
$0.67 Tax Rate on the Estimated Taxable Assessed Valuation as of July 15, 2021	$3,081,857
Maximum Annual Debt Service Requirement (2023)	$4,162,813
$0.95 Tax Rate on the 2021 Taxable Assessed Valuation	$4,197,002
$0.91 Tax Rate on the Estimated Taxable Assessed Valuation as of July 15, 2021	$4,185,806

No representations or suggestions are made that the uncertified portion of the 2021 Taxable Assessed Valuation or the Estimated Taxable Assessed Valuation as of July 15, 2021 will not be adjusted downward by the Appraisal District prior to certification and no person should rely upon such amounts or their inclusion herein as assurance of their attainment. See "TAXING PROCEDURES."

TAXING PROCEDURES

Authority to Levy Taxes

The Board is authorized to levy an annual ad valorem tax, without legal limitation as to rate or amount, on all taxable property within the District in an amount sufficient to pay the principal of and interest on the Bonds, the Outstanding Bonds, and any additional bonds payable from taxes which the District may hereafter issue (see "INVESTMENT CONSIDERATIONS—Future Debt") and to pay the expenses of assessing and collecting such taxes. The District agrees in the Bond Resolution to levy such a tax from year-to-year as described more fully herein under "THE BONDS—Source of Payment." Under Texas law, the District may also levy and collect an annual ad valorem tax for the operation and maintenance of the District. See "TAX DATA—Debt Service Tax" and "—Maintenance Tax."

Property Tax Code and County-Wide Appraisal District

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

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

Property Subject to Taxation by the District

Except for certain exemptions provided by Texas law, all real property, tangible personal property held or used for the production of income, mobile homes and certain categories of intangible personal property with a tax situs in the District are subject to taxation by the District. Principal categories of exempt property include, but are not limited to: property owned by the State of Texas or its political subdivisions if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies, and personal effects; certain goods, wares and merchandise in transit; farm products owned by the producer; certain property of charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; and most individually owned automobiles. In addition, the District may by its own action exempt residential homesteads of persons sixty-five (65) years of age or older and of certain disabled persons to the extent deemed advisable by the Board. The District may be required to call such an election upon petition by twenty percent (20%) of the number of qualified voters who voted in the previous election. The District is authorized by statute to disregard exemptions for the disabled and elderly if granting the exemption would impair the District's obligation to pay tax supported debt incurred prior to adoption of the exemption by the District. Furthermore, the District must grant exemptions to disabled veterans or certain surviving dependents of disabled veterans, if requested, of between $3,000 and $12,000 of taxable valuation depending upon the disability rating of the veteran claiming the exemption, and qualifying surviving spouses of persons 65 years of age or older will be entitled to receive a residential homestead exemption equal to the exemption received by the deceased spouse. A veteran who receives a disability rating of 100% is entitled to an exemption for the full 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 if the residence homestead was donated by a charitable organization. Also, the surviving spouse of a member of the armed forces who was killed in action is, subject to certain conditions, entitled to an exemption of the total appraised value of the surviving spouse's residence homestead and, subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse. The surviving spouse of a first responder who was killed or fatally injured in the line of duty is, subject to certain conditions, also entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and, subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse. See "TAX DATA."

Residential Homestead Exemptions: The Property Tax Code authorizes the governing body of each political subdivision in the State of Texas to exempt up to twenty percent (20%) of the appraised value of residential homesteads from ad valorem taxation. Where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged, if the cessation of the levy would impair the obligations of the contract by which the debt was created. The adoption of a homestead exemption may be considered each year, but must be adopted before July 1. To date, the District has not adopted a general residential homestead exemption. See "TAX DATA."

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

Tax Abatement

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

Valuation of Property for Taxation

Generally, property in the District must be appraised by the Appraisal District at market value as of January 1 of each year. Once an appraisal roll is prepared and finally approved by the Appraisal Review Board, it is used by the District in establishing its tax rolls and tax rate. Assessments under the Property Tax Code are to be based on one hundred percent (100%) of market value, as such is defined in the Property Tax Code.

Nevertheless, certain land may be appraised at less than market value under the Property Tax Code. In November 1997, Texas voters approved a constitutional amendment to limit increases in the appraised value of residence homesteads to ten percent (10%) annually regardless of the market value of the property. The Property Tax Code permits land designated for agricultural use, open space or timberland to be appraised at its value based on the land's capacity to produce agricultural or timber products rather than at its fair market value. The Property Tax Code permits under certain circumstances that residential real property inventory held by a person in the trade or business be valued at the price all such property would bring if sold as a unit to a purchaser who would continue the business. Provisions of the Property Tax Code are complex and are not fully summarized here. Landowners wishing to avail themselves of the agricultural use, open space or timberland designation or residential real property inventory designation must apply for the designation and the appraiser is required by the Property Tax Code to act on each claimant's right to the designation individually. A claimant may waive the special valuation as to taxation by some political subdivisions while claiming it as to another. If a claimant receives the agricultural use designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use, including taxes for the previous three (3) years for agricultural use, open space land, and timberland.

The Property Tax Code requires the Appraisal District to implement a plan for periodic reappraisal of property to update appraisal values. The plan must provide for appraisal of all real property in the Appraisal District at least once every three (3) years. It is not known what frequency of reappraisal will be utilized by the Appraisal District or whether reappraisals will be conducted on a zone or county-wide basis. The District, however, at its expense has the right to obtain from the Appraisal District a current estimate of appraised values within the District or an estimate of any new property or improvements within the District. While such current estimate of appraised values may serve to indicate the rate and extent of growth of taxable values within the District, it cannot be used for establishing a tax rate within the District until such time as the Appraisal District chooses formally to include such values on its appraisal roll.

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

District and Taxpayer Remedies

Under certain circumstances taxpayers and taxing units (such as the District) may appeal the orders of the Appraisal Review Board by filing a timely petition for review in State district court. In such event, the value of the property in question will be determined by the court or by a jury if requested by any party. Additionally, taxing units may bring suit against the Appraisal District to compel compliance with the Property Tax Code.

The Property Tax Code sets forth notice and hearing procedures for certain tax rate increases by the District and provides for taxpayer referenda which could result in the repeal of certain tax increases. The Property Tax Code also establishes a procedure for notice to property owners of reappraisals reflecting increased property value, appraisals which are higher than renditions, and appraisals of property not previously on an appraisal roll.

Levy and Collection of Taxes

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

Tax Payment Installments After Disaster

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

Additionally, the Texas Tax Code authorizes a taxing jurisdiction such as the District, solely at the jurisdiction's discretion, to adopt a similar installment payment option for taxes imposed on property that is located within a designated disaster area or emergency area, and is owned or leased by certain qualified business entities, regardless of whether the property has been damaged as a direct result of the disaster or emergency.

Rollback of Operation and Maintenance Tax Rate

Chapter 49 of the Texas Water Code, as amended, classifies districts differently based on the current operation and maintenance tax rate or on the percentage of build-out that the district has completed. Districts that have adopted an operation and maintenance tax rate for the current year that is 2.5 cents or less per $100 of taxable value are classified as "Special Taxing Units." Districts that have financed, completed, and issued bonds to pay for all improvements and facilities necessary to serve at least 95% of the projected build-out of the district are classified as "Developed Districts." Districts that do not meet either of the classifications previously discussed can be classified herein as "Developing Districts." The impact each classification has on the ability of a district to increase its maintenance and operations tax rate is described for each classification below. Debt service and contract tax rates cannot be reduced by a rollback election held within any of the districts described below.

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

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

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

The District: A determination as to a district's status as a Special Taxing Unit, Developed District or Developing District will be made by the Board of Directors on an annual basis. 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. For the 2021 tax year, the District was classified as a Developing District.

District's Rights in the Event of Tax Delinquencies

Taxes levied by the District are a personal obligation of the owner of the property as of January 1 of the year for which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all state and local taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of the State of Texas and each local taxing unit, including the District, having power to tax the property. The District's tax lien is on parity with tax liens of such other taxing units. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Overlapping Taxes." A tax lien on real property takes priority over the claim of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien; however, whether a lien of the United States is on parity with or takes priority over a tax lien of the District is determined by applicable federal law. Personal property under certain circumstances is subject to seizure and sale for the payment of delinquent taxes, penalty, and interest.

At any time after taxes on property become delinquent, the District may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both subject to the restrictions on residential homesteads described above under "Levy and Collection of Taxes". In filing a suit to foreclose a tax lien on real property, the District must join other taxing units that have claims for delinquent taxes against all or part of the same property. Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, by taxpayer redemption rights or by bankruptcy proceedings which restrict the collection of taxpayer debts. A taxpayer may redeem property within two (2) years for residential and agricultural property and six (6) months for commercial and all other types of property after the purchaser's deed issued at the foreclosure sale is filed in the county records. The District's ability to foreclose its tax lien or collect penalties or interest on delinquent taxes 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. See "INVESTMENT CONSIDERATIONS—General" and "—Tax Collections Limitations and Foreclosure Remedies."

INVESTMENT CONSIDERATIONS

Infectious Disease Outlook (COVID-19)

In March 2020, the World Health Organization and the President of the United States separately declared the outbreak of a respiratory disease caused by a novel coronavirus ("COVID-19") to be a public health emergency. On March 13, 2020, the Governor of Texas (the "Governor") declared a state of disaster for all counties in the State of Texas (the "State") because of the effects of COVID-19. Subsequently, in response to a rise in COVID-19 infections in the State and pursuant to the Chapter 418 of the Texas Government Code, the Governor issued a number of executive orders intended to help limit the spread of COVID-19 and mitigate injury and the loss of life, including limitations imposed on business operations, social gatherings and other activities.

Over the ensuing year, COVID-19 negatively affected commerce, travel and businesses locally and globally, and negatively affected economic growth worldwide and within the State. Following the widespread release and distribution of various COVID-19 vaccines in 2021 and a decrease in active COVID-19 cases generally in the United States, state governments (including Texas) have started to lift business and social limitations associated with COVID-19. Beginning in March 2021, the Governor issued various executive orders, which, among other things, rescinded and superseded prior executive orders and provide that there are currently no COVID-19 related operating limits for any business or other establishment. The Governor retains the right to impose additional restrictions on activities if needed in order to mitigate the effects of COVID-19. 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 into this OFFICIAL STATEMENT.

With the easing or removal of associated governmental restrictions, economic activity has increased. However, there are no assurances that such increased economic activity will continue or continue at the same rate, especially if there are future outbreaks of COVID-19. The District has not experienced any decrease in property values, unusual tax delinquencies or interruptions to any service as a result of COVID 19; however, the District cannot predict the long-term economic effect of COVID-19 or a similar virus should there be a reversal of economic activity and reinstitution of restrictions.

Potential Effects of Oil Price Volatility on the Houston Area

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

Extreme Weather Events; Hurricane Harvey

The greater Houston area, including Fort Bend County, is subject to occasional severe weather events, including tropical storms and hurricanes. If the District were to sustain damage to its facilities requiring substantial repair or replacement, or if substantial damage were to occur to taxable property within the District as a result of such a weather event, the investment security of the Bonds could be adversely affected. The greater Houston area has experienced 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 25, 2017, and brought historic levels of rainfall during the successive four days.

According to the Operator and the Engineer, the water and wastewater system sustained no material damage and there was no interruption of water and sewer service as a result of Hurricane Harvey. Further, the District did not receive notice of any homes or commercial businesses within the District experienced structural flooding or other material damage as a result of Hurricane Harvey.

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

Specific Flood Type Risks

River (or Fluvial) Flood: occurs when water levels rise over the top of river, bayou or channel banks due to excessive rain from tropical systems making landfall and/or persistent thunderstorms over the same area for extended periods of time. The damage from a riverine flood can be widespread. The overflow can affect smaller rivers and streams downstream, or may sheetflow overland. Flash flooding is a type of riverine flood that is characterized by an intense, high velocity torrent of water that occurs in an existing river channel with little to no notice. Flash floods are very dangerous and destructive not only because of the force of the water, but also the hurtling debris that is often swept up in the flow. They can occur within minutes or a few hours of excessive rainfall. They can also occur even if no rain has fallen, for instance, after a levee or dam has failed, or after a sudden release of water by a debris or ice jam. Controlled releases from a dam or levee also could potentially create a flooding condition in rivers or man-made drainage systems (canals or channels) downstream.

Ponding (or Pluvial) Flood: occurs when heavy rainfall creates a flood event independent of an overflowing water body, typically in relatively flat areas. Intense rainfall can over capacitate a drainage system which becomes trapped and flows out into streets and nearby structures until it reaches a natural outlet. Ponding can also occur in a flood pool upstream or behind a dam or levee.

General

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

Economic Factors and Interest Rates

A substantial percentage of the taxable value of the District results from the current market value of single-family residences, and commercial and retail property. The market value of such development is related to general economic conditions in the Houston region and the national economy. The demand for commercial tracts and the construction of taxable improvements thereon can be significantly affected by factors such as interest rates, credit availability (see "Credit Markets and Liquidity in the Financial Markets" below), construction costs and the prosperity and demographic characteristics of the urban center toward which the marketing of lots is directed. Decreased levels of construction activity would tend to restrict the growth of property values in the District or could adversely impact such values.

Credit Markets and Liquidity in the Financial Markets

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

Possible Impact on District Tax Rates

Assuming no further development, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of owners of property within the District to pay their taxes. The 2021 Taxable Assessed Valuation is $465,041,789. After issuance of the Bonds, the maximum annual debt service requirement will be $4,162,813 (2023), and the average annual debt service requirement will be $3,051,895 (2022-2046 inclusive). Assuming no increase or decrease from the 2021 Taxable Assessed Valuation, the issuance of no additional debt, and no other funds available for the payment of debt service, tax rates of $0.95 and $0.70 per $100 of taxable assessed valuation at a ninety-five percent (95%) collection rate would be necessary to pay the maximum annual debt service requirement and the average annual debt service requirements, respectively. The Estimated Taxable Assessed Valuation as of July 15, 2021 is $484,188,050, which reduces the above tax calculations to $0.91 and $0.67 per $100 of taxable assessed valuation, respectively. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Debt Service Requirements" and "TAX DATA—Tax Adequacy for Debt Service."

No representation or suggestion is made that the uncertified portion ($3,195,560) of the 2021 Taxable Assessed Valuation or the Estimated Taxable Assessed Valuation as of July 15, 2021 will not be adjusted downward by the Appraisal District prior to certification and no person should rely upon such amounts or their inclusion herein as assurance of their attainment. See "TAXING PROCEDURES." While the District anticipates future increases in taxable values, it makes no representations that over the term of the Bonds, the property within the District will maintain a value sufficient to justify continued payment of taxes by property owners. Property within the District also is subject to taxes levied by other political subdivisions. See "TAX DATA—Tax Adequacy for Debt Service."

Dependence on Principal Taxpayers

The ten principal taxpayers represent $181,560,410 or 39.31% of the certified portion ($461,846,229) of the 2021 Taxable Assessed Valuation of $465,041,789, which represents ownership as of January 1, 2021. See "TAX DATA—Principal Taxpayers." A principal taxpayer list related to the Estimated Taxable Assessed Valuation as of July 15, 2021 is not available. The ability of any principal taxpayer to make full and timely payments of taxes levied against its property by the District and similar taxing authorities will directly affect the District's ability to meet its debt service obligations. If, for any reason, any one or more principal taxpayers do not pay taxes due or do not pay in a timely manner, the District may need to levy a higher tax rate or use other funds available for debt service purposes. However, the District has not covenanted in the Bond Resolution, nor is it required by Texas law, to maintain any particular balance in its Debt Service Fund or any other funds to allow for any such delinquencies. Therefore, failure by one or more principal taxpayers to pay their taxes on a timely basis in amounts in excess of the District's available funds could have a material adverse effect upon the District's ability to pay debt service on the Bonds on a current basis.

Tax Collections Limitations and Foreclosure Remedies

The District's ability to make debt service payments may be adversely affected by its inability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien in favor of the District on parity with the liens of all other local taxing authorities on the property against which taxes are levied, and such lien may be enforced by judicial foreclosure. The District's ability to collect ad valorem taxes through such foreclosure may be impaired by (a) cumbersome, time-consuming and expensive collection procedures, (b) a bankruptcy court's stay of tax collection procedures against a taxpayer, or (c) market conditions affecting the marketability of taxable property within the District and limiting the proceeds from a foreclosure sale of such property. Moreover, the proceeds of any sale of property within the District available to pay debt service on the Bonds may be limited by the existence of other tax liens on the property (see "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Overlapping Taxes"), by the current aggregate tax rate being levied against the property, and by other factors (including the taxpayers' right to redeem property within two years of foreclosure for residential and agricultural use property and six months for commercial and other property). Finally, any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within the District pursuant to the Federal Bankruptcy Code could stay any attempt by the District to collect delinquent ad valorem taxes assessed against such taxpayer. In addition to the automatic stay against collection of delinquent taxes afforded a taxpayer during the pendency of a bankruptcy, a bankruptcy could affect payment of taxes in two other ways: first, a debtor's confirmation plan may allow a debtor to make installment payments on delinquent taxes for up to six years; and, second, a debtor may challenge, and a bankruptcy court may reduce, the amount of any taxes assessed against the debtor, including taxes that have already been paid.

Registered Owners' Remedies and Bankruptcy Limitations

If the District defaults in the payment of principal, interest, or redemption price on the Bonds when due, or if it fails to make payments into any fund or funds created in the Bond Resolution, or defaults in the observation or performance of any other covenants, conditions, or obligations set forth in the Bond Resolution, the Registered Owners have the statutory right of a writ of mandamus issued by a court of competent jurisdiction requiring the District and its officials to observe and perform the covenants, obligations, or conditions prescribed in the Bond Resolution. Except for mandamus, the Bond Resolution does not specifically provide for remedies to protect and enforce the interests of the Registered Owners. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Further, there is no trust indenture or trustee, and all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the Registered Owners. Statutory language authorizing local governments such as the District to sue and be sued does not waive the local government's sovereign immunity from suits for money damages, so that in the absence of other waivers of such immunity by the Texas Legislature, a default by the District in its covenants in the Bond Resolution may not be reduced to a judgment for money damages. If such a judgment against the District were obtained, it could not be enforced by direct levy and execution against the District's property. Further, the Registered Owners cannot themselves foreclose on property within the District or sell property within the District to enforce the tax lien on taxable property to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the Registered Owners may further be limited by a State of Texas statute reasonably required to attain an important public purpose or by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions, such as the District.

Subject to the requirements of Texas law discussed below, a political subdivision such as the District may voluntarily file a petition for relief from creditors under Chapter 9 of the Federal Bankruptcy Code, 11 U.S.C. Sections 901-946. The filing of such petition would automatically stay the enforcement of Registered Owner's remedies, including mandamus. The automatic stay would remain in effect until the federal bankruptcy judge hearing the case dismisses the petition, enters an order granting relief from the stay or otherwise allows creditors to proceed against the petitioning political subdivision. A political subdivision such as the District may qualify as a debtor eligible to proceed in a Chapter 9 case only if it (1) is authorized to file for federal bankruptcy protection by applicable state law, (2) is insolvent or unable to meet its debts as they mature, (3) desires to effect a plan to adjust such debts, and (4) has either obtained the agreement of or negotiated in good faith with its creditors or is unable to negotiate with its creditors because negotiation is impracticable. Special districts such as the District must obtain the approval of the TCEQ as a condition to seeking relief under the Federal Bankruptcy Code. The TCEQ is required to investigate the financial condition of a financially troubled district and authorize such district to proceed under federal bankruptcy law only if such district has fully exercised its rights and powers under Texas law and remains unable to meet its debts and other obligations as they mature.

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

If a petitioning district were allowed to proceed voluntarily under Chapter 9 of the Federal Bankruptcy Code, it could file a plan for an adjustment of its debts. If such a plan were confirmed by the bankruptcy court, it could, among other things, affect Registered Owners by reducing or eliminating the amount of indebtedness, deferring or rearranging the debt service schedule, reducing or eliminating the interest rate, modifying or abrogating the collateral or security arrangements, substituting (in whole or in part) other securities, and otherwise compromising and modifying the rights and remedies of the Registered Owners' claims against a district.

A district may not be forced into bankruptcy involuntarily.

Future Debt

The District has the right to issue obligations other than the Bonds, including tax anticipation notes and bond anticipation notes, and to borrow for any valid corporate purpose. A total of $68,550,000 principal amount of unlimited tax bonds for the purpose of constructing and/or acquiring a water, sewer and drainage system, $34,275,000 principal amount of unlimited tax bonds for refunding such bonds, $7,000,000 principal amount of unlimited tax bonds for the purpose of constructing and/or acquiring parks and recreational facilities and for refunding such bonds, and $44,000,000 principal amount of unlimited tax bonds for roads and related improvements and for refunding such bonds have been authorized by the District's voters.

After the issuance of the Bonds, the District will have $25,860,000 principal amount of unlimited tax bonds for constructing and/or acquiring water, sewer and drainage facilities authorized but unissued. In addition, the District currently has, $21,740,000 principal amount of unlimited tax bonds authorized but unissued for roads and related improvements (and for refunding such bonds), $34,000,000 principal amount of unlimited tax refunding bonds authorized but unissued, and all of the unlimited tax bonds for constructing and/or acquiring parks and recreational facilities (and for refunding such bonds) authorized but unissued.

To date, developers and principal property owners including LM Development and DR Horton have advanced certain funds for construction of water, sewer, drainage, recreational and road facilities for which they have not been reimbursed. After the reimbursements are made with Bond proceeds, the District will not owe any funds for roads or water, sewer and drainage facilities to any developer or property owner. The District does not employ any formula with respect to appraised valuations, tax collections or otherwise to limit the amount of parity bonds which it may issue; however, bonds for recreational facilities may not be issued in an amount which exceeds one percent (1%) of the District's taxable value at the time of issuance. The issuance of additional bonds for water, sewer and drainage facilities and recreational facilities is subject to approval by the TCEQ pursuant to its rules regarding issuance and feasibility of bonds, unless effective June 14, 2021, the District meets certain financial feasibility requirements under the TCEQ rules, in which case the outstanding principal amount of such bonds issued by the District may exceed an amount equal to one percent (1%) but not three percent (3%) of the value of the taxable property in the District. Future changes in health or environmental regulations could require the construction and financing of additional improvements without any corresponding increases in taxable value in the District. See "THE BONDS—Issuance of Additional Debt."

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 itself has 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 became effective June 22, 2020, and is currently the subject of ongoing litigation.

On July 30, 2021, the EPA and USACE announced plans to further revise the definition of "waters of the United States." On August 30, 2021, the United States District Court for the District of Arizona issued an order vacating the NWPR while the EPA and USACE make plans to replace it. Due to existing and possible future litigation and regulatory action, there remains uncertainty regarding the ultimate scope of "waters of the United States" and the extent of EPA and USACE jurisdiction. Depending on the final outcome of such proceedings, operations of municipal utility districts, including the District, could potentially be subject to additional restrictions and requirements, including additional permitting requirements.

Marketability of the Bonds

The District has no understanding with the Underwriter regarding the reoffering yields or prices of the Bonds and has no control over trading of the Bonds in the secondary market. Moreover, there is no assurance that a secondary market will be made in the Bonds. If there is a secondary market, the difference between the bid and asked price of the Bonds may be greater than the difference between the bid and asked price of bonds of comparable maturity and quality issued by more traditional issuers as such bonds are more generally bought, sold or traded in the secondary market.

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.

Continuing Compliance with Certain Covenants

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

Risk Factors Related to the Purchase of Municipal Bond Insurance

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

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

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

MUNICIPAL BOND RATING

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, ("S&P") has assigned its municipal bond ratings of "AA" (stable outlook) and Moody's Investors Service, Inc. ("Moody's") has assigned its municipal bond ratings of "A2" (stable outlook), respectively, to the Bonds with the understanding that, upon delivery of the Bonds, a Policy insuring the timely payment of the principal of and interest on the Bonds will be issued by Assured Guaranty Municipal Corp. Moody's has also assigned an underlying rating of "Baa3" to the Bonds. An explanation of the ratings may be obtained from S&P and Moody's. See "INVESTMENT CONSIDERATIONS—Risk Factors Related to the Purchase of Municipal Bond Insurance" and "MUNICIPAL BOND INSURANCE."

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

MUNICIPAL BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, 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 APPENDIX B to this OFFICIAL STATEMENT.

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

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 July 8, 2021, 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 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 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 June 30, 2021:

- The policyholders’ surplus of AGM was approximately $2,943 million.
- The contingency reserve of AGM was approximately $947 million.
- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately $2,137 million. Such amount includes (i) 100% of the net unearned premium reserve and deferred ceding commission income of AGM, and (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”).

The policyholders’ surplus of AGM and the contingency reserves, net unearned premium reserves and deferred ceding commission income of AGM 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 Municipal Assurance Corp. (“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:

(i) 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);

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2021 (filed by AGL with the SEC on May 7, 2021); and

(iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2021 (filed by AGL with the SEC on August 6, 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 the 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 "MUNICIPAL 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 "MUNICIPAL BOND INSURANCE."

LEGAL MATTERS

Legal Proceedings

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

Bond Counsel has reviewed the information appearing in this OFFICIAL STATEMENT under "THE BONDS," "THE DISTRICT—General," "TAXING PROCEDURES," "LEGAL MATTERS," "TAX MATTERS" and "CONTINUING DISCLOSURE OF INFORMATION" solely to determine if such information, insofar as it relates to matters of law, is true and correct, and whether such information fairly summarizes the provisions of the documents referred to therein. Bond Counsel has not, however, independently verified any of the factual information contained in this OFFICIAL STATEMENT nor has it conducted an investigation of the affairs of the District for the purpose of passing upon the accuracy or completeness of this OFFICIAL STATEMENT. No person is entitled to rely upon Bond Counsel's limited participation as an assumption of responsibility for or an expression of opinion of any kind with regard to the accuracy or completeness of any information contained herein.

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

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

No Material Adverse Change

The obligations of the Underwriter to take and pay for the Bonds, and of the District to deliver the Bonds, are subject to the condition that, up to the time of delivery of and receipt of payment for the Bonds, there shall have been no material adverse change in the condition (financial or otherwise) of the District from that set forth or contemplated in the OFFICIAL STATEMENT.

No-Litigation Certificate

The District will furnish the Underwriter a certificate, executed by both the President or Vice President and Secretary or Assistant Secretary of the Board, and dated as of the date of delivery of the Bonds, to the effect that there is not pending, and to their knowledge, there is not threatened, any litigation affecting the validity of the Bonds, or the levy and/or collection of taxes for the payment thereof, or the organization or boundaries of the District, or the title of the officers thereof to their respective offices, and that no additional bonds or other indebtedness have been issued since the date of the statement of indebtedness or nonencumbrance certificate submitted to the Attorney General of Texas in connection with approval of the Bonds.

TAX MATTERS

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

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

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

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

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

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

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

Tax Accounting Treatment of Original Issue Discount Bonds

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

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

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

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

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

Not Qualified Tax-Exempt Obligations

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

PREPARATION OF OFFICIAL STATEMENT

Sources and Compilation of Information

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

Financial Advisor

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

Consultants

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

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

Engineer: The information contained in this OFFICIAL STATEMENT relating to engineering and to the description of the District's water, wastewater and storm drainage system and, in particular that information included in the sections entitled "THE DISTRICT" and "THE SYSTEM" has been provided by Costello, Inc. and has been included herein in reliance upon the authority of said firm as the District's Engineer.

Auditor: The District's financial statements for the fiscal year ending December 31, 2020, were prepared by the independent accounting firm of McCall Gibson Swedlund Barfoot, PLLC, Certified Public Accountants. See "APPENDIX A" for a copy of the audited financial statement of the District as of December 31, 2020.

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

Updating the Official Statement

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

Certification of Official Statement

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

CONTINUING DISCLOSURE OF INFORMATION

In the Bond Resolution, the District has the following agreement for the benefit of the registered and beneficial Owners of the Bonds. The District is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the District will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified events, to the Municipal Securities Rulemaking Board (the "MSRB") 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, or any successor, through its Electronic Municipal Market Access System ("EMMA"). 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 "THE SYSTEM," "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)," except for "Estimated Overlapping Debt," "TAX DATA," and "APPENDIX A" (Financial Statement of the District and Certain Supplemental Schedules). The District will update and provide this information within six months after the end of each fiscal year ending in and after 2021. Any financial statements provided by the District shall be prepared in accordance with generally accepted auditing standards or other such principles as the District may be required to employ from time to time pursuant to state law or regulation, and audited if the audit report is completed within the period during which it must be provided. If the audit report is not complete within such period, then the District shall provide unaudited statements for the applicable year to the MSRB within such six month period, and audited financial statements when the audit becomes available.

The District's current fiscal year end is December 31. Accordingly, it must provide updated information by June 30 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; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of beneficial owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District or other obligated person; (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person or the sale of all or substantially all of the assets of the District or other obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or other obligated person, any of which affect Beneficial Owners of the Bonds, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of 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 SEC Rule 15c2-12 (the "Rule"). The term "material" when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Resolution makes any provision for debt service reserves or liquidity enhancement. In addition, the District will provide timely notice of any failure by the District to provide financial information, operating data, or financial statements in accordance with its agreement described above under "Annual Reports."

Availability of Information from the MSRB

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

Limitations and Amendments

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

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

Compliance With Prior Undertakings

During the last five years, the District has complied in all material respects with all continuing disclosure agreements made by the District in accordance with SEC Rule 15c2-12.

MISCELLANEOUS

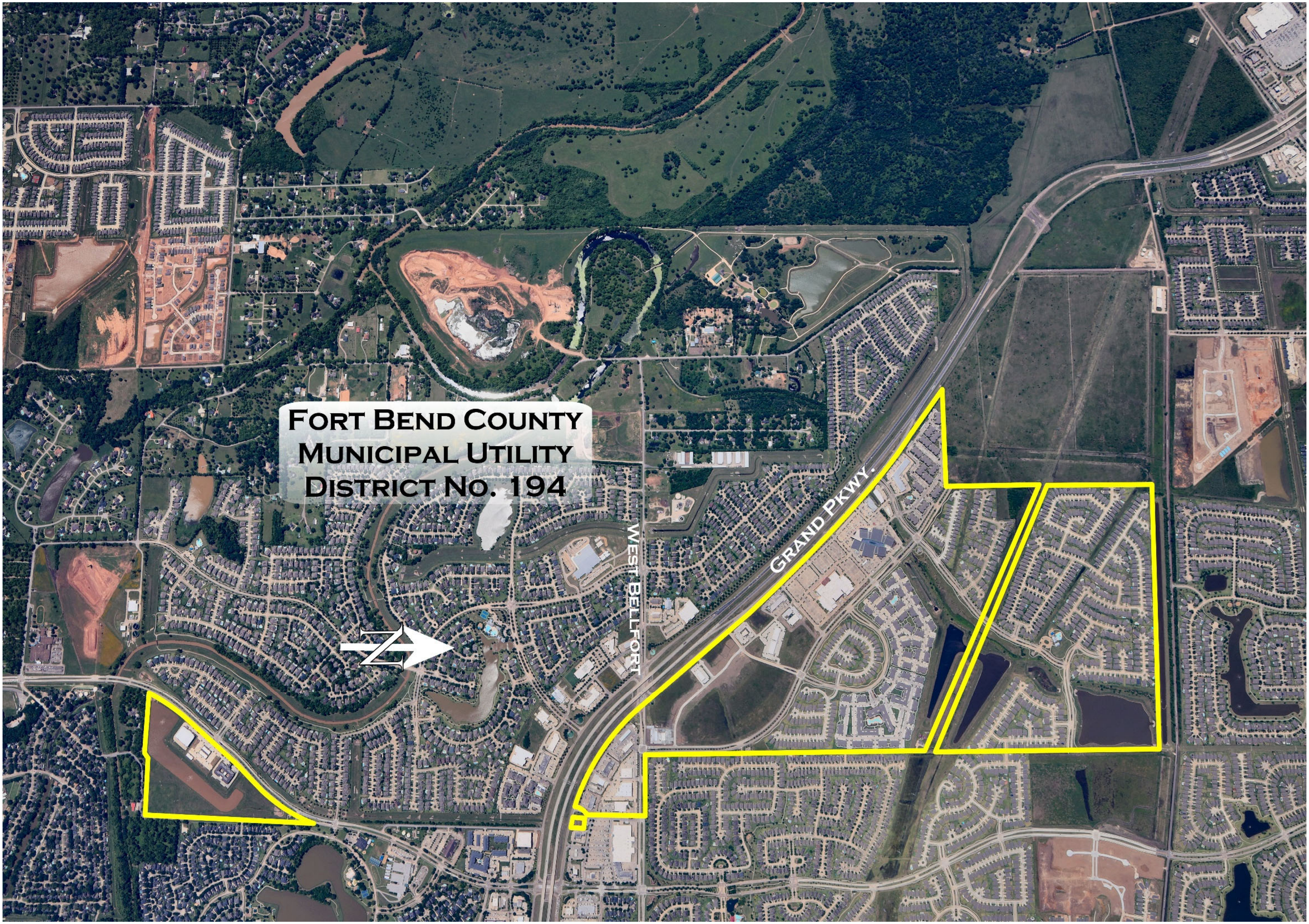
All estimates, statements and assumptions in this OFFICIAL STATEMENT and the APPENDICES hereto have been made on the basis of the best information available and are believed to be reliable and accurate. Any statements in this OFFICIAL STATEMENT involving matters of opinion or estimates, whether or not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

/s/ Matthew Turman
Vice President, Board of Directors

ATTEST:

/s/ Mark Justiniano
Assistant Secretary, Board of Directors

AERIAL PHOTOGRAPH
(As of June 2021)


Fort Bend County
Municipal Utility
District No. 194
Grand Pkwy.
West Bellfort
N

PHOTOGRAPHS OF THE DISTRICT
(As of June 2021)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AT LONG MEADOW


Alleia
LONG MEADOW FARMS


GALLERY FURNITURE
BROOKWOOD
7227
MEXICAN RESTAURANT


ALDI
FOOD MARKET
ALDI
FOOD MARKET


Wendy's
TODAY'S VISION
VALERIE
NAILS & LASHES
BLUSH
SALON & STUDIO
MATTRESS 1 ONE
Little Caesars
LONG MEADOW
VET CLINIC
QUICKDROP
MAIL
FedEx
DHL
CBD
AMERICAN SHAMAN

Katy Furniture


REGAL CINEMAS 22
PENSKE


Top Sushi
snap
FITNESS 24-7
MULTIPLEX
HOME SERVICES
CROWN RED
LIQUOR
FARMERS
INSURANCE
RICHMOND
FINE JEWELERS
WATCH & JEWELRY REPAIR
YAI'S
THAI KITCHEN
THE Y FACTOR
YAI'S THAI KITCHEN
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APPENDIX A

Financial Statement of the fiscal year ended December 31, 2020

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194

FORT BEND COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2020

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194

FORT BEND COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2020

TABLE OF CONTENTS

McCALL GIBSON SWEDLUND BARFOOT PLLC

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Fort Bend County Municipal
Utility District No. 194
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. 194 (the "District"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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 December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

McCall Gibson Swedlund Barfoot PLLC

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
Houston, Texas

May 11, 2021

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020

Management's discussion and analysis of Fort Bend County Municipal Utility District No. 194's (the "District") financial performance provides an overview of the District's financial activities for year ended December 31, 2020. Please read it in conjunction with the District's financial statements.

USING THIS FINANCIAL REPORT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

FUND FINANCIAL STATEMENTS

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

FUND FINANCIAL STATEMENTS (Continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by $15,498,589 as of December 31, 2020. A portion of the District's net position reflects its net investment in capital assets (land, recreational facilities, and roads as well as the water, wastewater and drainage facilities less any debt used to acquire those assets that is still outstanding). The following is a comparative analysis of government-wide changes in net position:

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Summary of Changes in the Statement of Net Position

	2020	2019	Change Positive (Negative)
Current and Other Assets	$ 9,664,987	$ 8,948,137	$ 716,850
Capital Assets (Net of Accumulated Depreciation)	40,790,624	39,447,307	1,343,317
Total Assets	$ 50,455,611	$ 48,395,444	$ 2,060,167
Deferred Outflows of Resources	$ 224,833	$ 129,648	$ 95,185
Due to Developer	$ 10,907,390	$ 15,531,881	$ 4,624,491
Bonds Payable	49,618,482	42,562,624	(7,055,858)
Other Liabilities	944,614	1,844,659	900,045
Total Liabilities	$ 61,470,486	$ 59,939,164	$ (1,531,322)
Deferred Inflows of Resources	$ 4,708,547	$ 4,327,389	$ (381,158)
Net Position:			
Net Investment in Capital Assets	$ (19,057,029)	$ (18,020,234)	$ (1,036,795)
Restricted	1,006,205	749,116	257,089
Unrestricted	2,552,235	1,529,657	1,022,578
Total Net Position	$ (15,498,589)	$ (15,741,461) *	$ 242,872

The following table summarizes the District's operations for the years ended December 31, 2020, and December 31, 2019. The District's net position increased by $242,872.

Summary of Changes in the Statement of Activities

	2020	2019	Change Positive (Negative)
Revenues:			
Property Taxes	$ 4,320,710	$ 3,482,954	$ 837,756
Charges for Services	2,003,707	1,693,627	310,080
Other Revenues	400,969	519,052	(118,083)
Total Revenues	$ 6,725,386	$ 5,695,633	$ 1,029,753
Expenses for Services	6,482,514	7,751,913	1,269,399
Change in Net Position	$ 242,872	$ (2,056,280)	$ 2,299,152
Net Position, Beginning of Year	(15,741,461)	(13,685,181)	(2,056,280)
Net Position, End of Year	$ (15,498,589)	$ (15,741,461) *	$ 242,872

* As adjusted

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of December 31, 2020, were $4,288,485, an increase of $1,222,954 from the prior year.

The District's General Fund fund balance increased by $968,447 from the prior year, primarily due to operating revenues, sales tax revenues, and investment revenues which exceeded operating and administrative costs.

The Debt Service Fund fund balance increased by $298,437, primarily due to the structure of the District's outstanding debt and the effect of the issuance of the Series 2020 Refunding Bonds and Series 2020A Road Refunding Bonds.

The Capital Projects Fund fund balance decreased by $43,930. See Note 16 for information related to the sale of the Series 2020 Road Bonds and Series 2020A Bonds.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors adopted an unappropriated budget for the current fiscal year. Actual revenues were $222,767 more than budgeted revenues and actual expenditures were $6,876 more than budgeted expenditures which resulted in a positive variance of $215,891. See the budget to actual comparison for more information.

LONG-TERM DEBT ACTIVITY

At year-end, the District had total bond debt payable of $49,370,000. The changes in the debt position of the District during the year ended December 31, 2020, are summarized as follows:

Bond Debt Payable, January 1, 2020	$ 42,485,000
Add: Bond Sales	13,315,000
Less: Bond Principal Paid/Refunded	6,430,000
Bond Debt Payable, December 31, 2020	$ 49,370,000

All bonds issued beginning with the Series 2015 Bonds carry underlying ratings of Baa3 by Moody's. All bonds issued beginning with the Series 2016 Road Bonds carry insured ratings of A2 by Moody's and/or AA from Standard & Poor's by virtue of bond insurance issued by Assured Guaranty Municipal or Build America Mutual Assurance Company.

CAPITAL ASSETS

Capital assets as of December 31, 2020, total $40,790,624 (net of accumulated depreciation) and include land, recreational facilities and roads as well as the water, wastewater and drainage systems. Additional information on the District's capital assets can be found in Note 6 of this report. Also see Note 16 for the discussion of the Series 2020 Road and Series 2020A bond sales during the current fiscal year.

Capital Assets At Year-End, Net of Accumulated Depreciation

	2020	2019	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	$ 1,240,281	$ 1,209,992	$ 30,289
Construction in Progress		1,083,054	(1,083,054)
Capital Assets, Net of Accumulated Depreciation:			
Water System	6,684,587	6,796,225	(111,638)
Wastewater System	8,233,986	8,369,151	(135,165)
Drainage System	18,075,334	17,078,524	996,810
Roads	3,653,284	2,880,571	772,713
Recreational Facilities	2,903,152	2,029,790	873,362
Total Net Capital Assets	$ 40,790,624	$ 39,447,307	$ 1,343,317

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Fort Bend County Municipal Utility District No. 194, c/o Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
DECEMBER 31, 2020

	General Fund	Debt Service Fund
ASSETS		
Cash	$ 230,226	$ 380,283
Investments	2,207,344	1,356,850
Receivables:		
Property Taxes	1,365,236	3,103,083
Penalty and Interest on Delinquent Taxes		
Service Accounts	218,035	
Accrued Interest	6,182	2,271
Prepaid Bond Insurance		
Due from Other Funds	113,737	
Due from Other Governmental Units	96,034	
Advance for Joint Facilities	97,817	
Land		
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	$ 4,334,611	$ 4,842,487
DEFERRED OUTLOWS OF RESOURCES		
Deferred Charges on Refunding Bonds	$ -0-	$ -0-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 4,334,611	$ 4,842,487

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
$ 100	$ 610,609	$	$ 610,609
460,270	4,024,464		4,024,464
	4,468,319		4,468,319
		21,249	21,249
	218,035		218,035
	8,453		8,453
		120,007	120,007
	113,737	(113,737)	
	96,034		96,034
	97,817		97,817
		1,240,281	1,240,281
		39,550,343	39,550,343
$ 460,370	$ 9,637,468	$ 40,818,143	$ 50,455,611
$ -0-	$ -0-	$ 224,833	$ 224,833
$ 460,370	$ 9,637,468	$ 41,042,976	$ 50,680,444

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

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
DECEMBER 31, 2020

	General Fund	Debt Service Fund
LIABILITIES		
Accounts Payable	$ 260,034	$ 2,764
Accrued Interest Payable		
Due to Developers		
Due to Other Funds		106,753
Security Deposits	202,545	
Accrued Interest Received at Time of Sale		3,965
Long-Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	$ 462,579	$ 113,482
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	$ 1,456,244	$ 3,309,694
FUND BALANCES		
Nonspendable:		
Operating Advance	$ 97,817	$
Restricted for Authorized Construction - Road Bonds		
Restricted for Authorized Construction - Utility Bonds		
Restricted for Debt Service - Road Bonds		424,322
Restricted for Debt Service - Utility Bonds		994,989
Unassigned	2,317,971	
TOTAL FUND BALANCES	$ 2,415,788	$ 1,419,311
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 4,334,611	$ 4,842,487
NET POSITION		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
TOTAL NET POSITION		

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
$	$ 262,798	$	$ 262,798
		479,271	479,271
		10,907,390	10,907,390
6,984	113,737	(113,737)	
	202,545		202,545
	3,965	(3,965)	
		1,815,000	1,815,000
		47,803,482	47,803,482
$ 6,984	$ 583,045	$ 60,887,441	$ 61,470,486
$ - 0 -	$ 4,765,938	$ (57,391)	$ 4,708,547
$	$ 97,817	$ (97,817)	$
31,174	31,174	(31,174)	
422,212	422,212	(422,212)	
	424,322	(424,322)	
	994,989	(994,989)	
	2,317,971	(2,317,971)	
$ 453,386	$ 4,288,485	$ (4,288,485)	$ - 0 -
$ 460,370	$ 9,637,468		
		$ (19,057,029)	$ (19,057,029)
		1,006,205	1,006,205
		2,552,235	2,552,235
		$ (15,498,589)	$ (15,498,589)

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

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2020

Total Fund Balances - Governmental Funds		$ 4,288,485
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Interest paid in advance as part of a refunding bond sale is recorded as deferred outflows of resources in the governmental activities and systematically charged to interest expense over the remaining life of the new debt or the old debt, whichever is shorter.		224,833
Bond insurance premiums are amortized over the life of the bonds in governmental activities.		120,007
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		40,790,624
Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2019 and prior tax levies became part of recognized revenue in the governmental activities of the District.		78,640
Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year end consist of:		
Due to Developer	$ (10,907,390)	
Accrued Interest Payable	(475,306)	
Bonds Payable	(49,618,482)	(61,001,178)
Total Net Position - Governmental Activities		$ (15,498,589)

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

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FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2020

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	$ 1,237,248	$ 3,058,722
Water Service	500,133	
Wastewater Service	244,340	
Fire Protection Service	324,958	
Sales Tax Revenues	287,342	
Water Authority Fees	569,346	
Tap Connection and Inspection Fees	364,930	
Investment and Miscellaneous Revenues	63,900	39,929
TOTAL REVENUES	$ 3,592,197	$ 3,098,651
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	$ 189,202	$ 2,490
Contracted Services	550,443	45,240
Purchased Water/Wastewater Service	928,282	
Repairs and Maintenance	374,216	
Depreciation		
Other	390,429	4,246
Conveyance of Assets		
Capital Outlay	191,178	
Developer Interest		
Debt Service:		
Payment to Refunded Bond Escrow Agent		60,000
Bond Issuance Costs		270,445
Bond Principal		1,445,000
Bond Interest		1,245,097
TOTAL EXPENDITURES/EXPENSES	$ 2,623,750	$ 3,072,518
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES	$ 968,447	$ 26,133
OTHER FINANCING SOURCES (USES)		
Proceeds from Issuance of Long-Term Debt	$	$ 5,225,000
Payment to Refunded Bond Escrow Agent		(5,021,038)
Bond Premium		68,342
TOTAL OTHER FINANCING SOURCES (USES)	$ -0-	$ 272,304
NET CHANGE IN FUND BALANCES	$ 968,447	$ 298,437
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - JANUARY 1, 2020, AS ADJUSTED	1,447,341	1,120,874
FUND BALANCES/NET POSITION - DECEMBER 31, 2020	$ 2,415,788	$ 1,419,311

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

Capital Projects Fund	Total	Adjustments	Statement of Activities
$	$ 4,295,970	$ 24,740	$ 4,320,710
	500,133		500,133
	244,340		244,340
	324,958		324,958
	287,342		287,342
	569,346		569,346
	364,930		364,930
1,579	105,408	8,219	113,627
$ 1,579	$ 6,692,427	$ 32,959	$ 6,725,386
$ 13,815	$ 205,507	$	$ 205,507
833	596,516		596,516
	928,282		928,282
24,165	398,381		398,381
		1,223,090	1,223,090
99	394,774		394,774
		65,194	65,194
7,064,914	7,256,092	(7,256,092)	
354,053	354,053		354,053
	60,000	(60,000)	
787,578	1,058,023	(52,284)	1,005,739
	1,445,000	(1,445,000)	
	1,245,097	65,881	1,310,978
$ 8,245,457	$ 13,941,725	$ (7,459,211)	$ 6,482,514
$ (8,243,878)	$ (7,249,298)	$ 7,492,170	$ 242,872
$ 8,090,000	$ 13,315,000	$ (13,315,000)	$
	(5,021,038)	5,021,038	
109,948	178,290	(178,290)	
$ 8,199,948	$ 8,472,252	$ (8,472,252)	$ -0-
$ (43,930)	$ 1,222,954	$ (1,222,954)	$
		242,872	242,872
497,316	3,065,531	(18,806,992)	(15,741,461)
$ 453,386	$ 4,288,485	$ (19,787,074)	$ (15,498,589)

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

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Net Change in Fund Balances - Governmental Funds	$ 1,222,954
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.	24,740
Governmental funds report penalty and interest revenue on property taxes when collected. However, in the Statement of Activities, revenue is recorded when penalties and interest are assessed.	8,219
Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.	(1,223,090)
Governmental funds report capital expenditures as expenditures in the period purchased. However, in the Statement of Net Position, capital assets, net of assets conveyed to other entities for ownership, are increased by new purchases and the Statement of Activities is not affected.	7,190,898
In the Statement of Net Position, bond premiums and bond insurance premiums are amortized over the life of the bonds and the current year amortized portion is recorded in the Statement of Activities.	(126,006)
Governmental funds report bond principal payments as expenditures. However, in the Statement of Net Position, bond principal payments are reported as decreases in long-term liabilities.	1,445,000
Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end.	(65,881)
Governmental funds report bond proceeds as other financing sources. Issued bonds increase long-term liabilities in the Statement of Net Position.	(13,315,000)
Governmental funds report the payment to the refunded bond escrow agent as an other financing use. However, the refunding of outstanding bonds decreases long-term liabilities in the Statement of Net Position.	5,081,038
Change in Net Position - Governmental Activities	$ 242,872

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

NOTE 1. CREATION OF DISTRICT

Fort Bend County Municipal Utility District No. 194 (the "District") was created effective March 6, 2008, by an Order of the Texas Commission on Environmental Quality (the "Commission"). Pursuant to the provisions of Chapters 49 and 54 of the Texas Water Code and Chapter 8317, Special District Local Laws Code, as amended, the District is empowered to purchase, operate and maintain all facilities, plants and improvements necessary to provide water, wastewater service, storm sewer drainage, irrigation, roads, solid waste collection and disposal, including recycling, and to construct parks and recreational facilities for the residents of the District. The District is also empowered to contract for or employ its own peace officers with powers to make arrests and to establish, operate and maintain a fire department to perform all fire-fighting activities within the District. The Board of Directors held its first meeting on March 10, 2008.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

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

Financial Statement Presentation

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

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

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

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

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

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

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

Governmental Funds

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

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

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

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

Basis of Accounting

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

Property taxes considered available by the District and included in revenue include the 2019 tax levy collections during the period October 1, 2019, to December 31, 2020 and taxes collected from January 1, 2020 to December 31, 2020 for the 2018 and prior tax levies. The 2020 levy has been fully deferred to meet the District's planned expenditures in 2021.

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis. As of December 31, 2020, the Debt Service Fund owed the General Fund $106,753 for maintenance tax collections and the Capital Projects Fund owed the General Fund $6,984 for bond issuance costs.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

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

Assets are capitalized, including infrastructure assets, if they have an original cost of $15,000 or more and a useful life of two years following the date of acquisition. Depreciation is calculated on each class of depreciable property using no salvage value and the straight-line method of depreciation. Estimated useful lives are as follows:

	Years
Roads	30
Water System	10-45
Wastewater System	10-45
Drainage System	10-45
Recreational Facilities	10-25

Budgeting

An annual unappropriated budget is adopted for the General Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. The original General Fund budget for the current year was not amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents the budgeted amounts compared to the actual amounts of revenues and expenditures for the current year.

Pensions

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus

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

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

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

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

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

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

Unassigned: all other spendable amounts in the General Fund.

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

Accounting Estimates

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

NOTE 3. LONG-TERM DEBT

The District's bonds payable at December 31, 2020, consists of the following bonds:

	Series 2013	Series 2013 Road	Series 2014
Amount Outstanding – December 31, 2020	$ 175,000	$ 85,000	$ 135,000
Interest Rates	3.25%	3.50%	2.50% - 2.75%
Maturity Dates - Serially Beginning/Ending	September 1, 2021	September 1, 2021	September 1, 2021/2022
Interest Payment Dates	March 1, September 1	March 1, September 1	March 1, September 1
Callable Dates	September 1, 2019*	September 1, 2019*	September 1, 2020*

	Series 2014 Road	Series 2015	Series 2016 Road
Amount Outstanding – December 31, 2020	$ 215,000	$ 4,240,000	$ 3,800,000
Interest Rates	2.50% - 2.75%	2.25% - 4.00%	2.00% - 2.75%
Maturity Dates - Serially Beginning/Ending	September 1, 2021/2022	September 1, 2021/2040	September 1, 2021/2040
Interest Payment Dates	March 1, September 1	March 1, September 1	March 1, September 1
Callable Dates	September 1, 2020*	September 1, 2023*	September 1, 2023*

* The Bonds are subject to redemption at the option of the District prior to their maturity in whole or from time to time in part, on the call date or any date thereafter at a price of par value plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. The Series 2015 term bonds due September 1, 2035, and September 1, 2040 are subject to mandatory redemption or other customary random method at a price of par plus accrued interest beginning on September 1, 2032, and September 1, 2036, respectively. The Series 2016 Road bonds due September 1, 2025, September 1, 2027, September 1, 2029, September 1, 2031, September 1, 2033, September 1, 2035, September 1, 2037, and September 1, 2040 are subject to mandatory sinking fund redemption or other customary random method at a price of par plus accrued interest beginning on September 1, 2024, September 1, 2026, September 1, 2028, September 1, 2030, September 1, 2032, September 1, 2034, September 1, 2036, and September 1, 2038, respectively.

NOTE 3. LONG-TERM DEBT (Continued)

	Series 2016	Series 2017 Road	Series 2018
Amount Outstanding – December 31, 2020	$ 3,405,000	$ 4,395,000	$ 5,015,000
Interest Rates	2.00% - 3.25%	2.25% - 4.75%	3.00% - 4.125%
Maturity Dates - Serially Beginning/Ending	September 1, 2021/2040	September 1, 2021/2043	September 1, 2021/2043
Interest Payment Dates	March 1, September 1	March 1, September 1	March 1, September 1
Callable Dates	September 1, 2022*	September 1, 2024*	September 1, 2024*

	Series 2019 Road Refunding	Series 2019 Refunding	Series 2019A
Amount Outstanding – December 31, 2020	$ 2,825,000	$ 4,765,000	$ 7,000,000
Interest Rates	2.00% - 4.00%	2.00% - 4.00%	2.00% - 3.00%
Maturity Dates - Serially Beginning/Ending	September 1, 2021/2040	September 1, 2021/2038	September 1, 2022/2044
Interest Payment Dates	March 1, September 1	March 1, September 1	March 1, September 1
Callable Dates	September 1, 2024*	September 1, 2024*	September 1, 2025*

* The Bonds are subject to redemption at the option of the District prior to their maturity in whole or from time to time in part, on the call date or any date thereafter at a price of par value plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. The Series 2016 term bonds due September 1, 2026, September 1, 2028, September 1, 2032, September 1, 2034, September 1, 2036, September 1, 2038, and September 1, 2040 are subject to mandatory sinking fund redemption or other customary random method at a price of par plus accrued interest beginning on September 1, 2025, September 1, 2027, and September 1, 2029, September 1, 2033, September 1, 2035, September 1, 2037, and September 1, 2039, respectively. The Series 2017 term bonds due September 1, 2032, September 1, 2034, September 1, 2036, September 1, 2039, and September 1, 2043 are subject to mandatory sinking fund redemption or other customary random method at a price of par plus accrued interest beginning on September 1, 2031, September 1, 2033, September 1, 2035, September 1, 2037, and September 1, 2040, respectively. The Series 2018 term bonds due September 1, 2032, September 1, 2034, September 1, 2036, September 1, 2039, and September 1, 2043 are subject to mandatory redemption or other customary random method at a price of par plus accrued interest beginning on September 1, 2030, September 1, 2033, September 1, 2035, September 1, 2037, and September 1, 2040, respectively. The Series 2019 Road bonds due September 1, 2028, September 1, 2030, September 1, 2032, and September 1, 2034 are subject to mandatory sinking fund redemption or other customary random method at a price of par plus accrued interest beginning on September 1, 2027, September 1, 2029, September 1, 2031, and September 1, 2033, respectively. The Series 2019 term bonds due September 1, 2028, September 1, 2030, September 1, 2032, and September 1, 2034 are subject to mandatory sinking fund redemption or other customary random method at a price of par plus accrued interest beginning on September 1, 2027, September 1, 2029, September 1, 2031, and September 1, 2033, respectively.

NOTE 3. LONG-TERM DEBT (Continued)

	Series 2020 Road	Series 2020 Refunding
Amount Outstanding – December 31, 2020	$ 1,170,000	$ 2,160,000
Interest Rates	2.00% - 4.00%	2.25% - 4.00%
Maturity Dates - Serially Beginning/Ending	September 1, 2021/2044	September 1, 2021/2040
Interest Payment Dates	March 1, September 1	March 1, September 1
Callable Dates	September 1, 2025*	September 1, 2027*

	Series 2020A Road Refunding	Series 2020A
Amount Outstanding – December 31, 2020	$ 3,065,000	$ 6,920,000
Interest Rates	2.25% - 4.00%	1.50% - 4.00%
Maturity Dates - Serially Beginning/Ending	September 1, 2021/2040	September 1, 2021/2044
Interest Payment Dates	March 1, September 1	March 1, September 1
Callable Dates	September 1, 2027*	September 1, 2025*

* The Series 2020 Road term bonds due September 1, 2032, September 1, 2034, September 1, 2036, September 1, 2038, September 1, 2041, and September 1, 2044 are subject to mandatory sinking fund redemption or other customary random method at a price of par plus accrued interest beginning on September 1, 2031, September 1, 2033, September 1, 2035, September 1, 2037, September 1, 2039, and September 1, 2042, respectively. The Series 2020 Refunding and Series 2020A Road Refunding term bonds due September 1, 2032, September 1, 2035, and September 1, 2040 are subject to mandatory sinking fund redemption or other customary random method at a price of par plus accrued interest beginning on September 1, 2031, September 1, 2033, and September 1, 2036, respectively. The Series 2020A term bonds due September 1, 2044 are subject to mandatory sinking fund redemption or other customary random method at a price of par plus accrued interest beginning on September 1, 2041.

As of December 31, 2020, the District had authorized but unissued bonds in the amount of $31,660,000 for water, sewer, and drainage facilities, $7,000,000 for parks and recreational facilities and for refunding of such bonds, $26,210,000 for roads and for refunding of such bonds, and $34,000,000 for refunding bonds. The bonds are payable from the proceeds of an ad valorem tax levied upon all property subject to taxation within the District, without limitation as to rate or amount.

NOTE 3. LONG-TERM DEBT (Continued)

The following is a summary of transactions regarding bonds payable for the year ended December 31, 2020:

	January 1, 2020	Additions	Retirements	December 31, 2020
Bonds Payable	$ 42,485,000	$ 13,315,000	$ 6,430,000	$ 49,370,000
Unamortized Premiums	77,624	178,290	7,432	248,482
Bonds Payable, net	$ 42,562,624	$ 13,493,290	$ 6,437,432	$ 49,618,482

Amount Due Within One Year	$ 1,815,000
Amount Due After One Year	47,803,482
Bonds Payable	$ 49,618,482

As of December 31, 2020, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2021	$ 1,815,000	$ 1,433,849	$ 3,248,849
2022	2,140,000	1,382,099	3,522,099
2023	2,165,000	1,319,112	3,484,112
2024	2,185,000	1,249,237	3,434,237
2025	2,210,000	1,181,438	3,391,438
2026-2030	11,405,000	4,955,586	16,360,586
2031-2035	11,950,000	3,336,080	15,286,080
2036-2040	11,760,000	1,574,697	13,334,697
2041-2044	3,740,000	248,869	3,988,869
	$ 49,370,000	$ 16,680,967	$ 66,050,967

During the year ended December 31, 2020, the District levied an ad valorem debt service utility tax rate of $0.57 per $100 of assessed valuation which resulted in a tax levy $2,218,075 on the adjusted taxable valuation of $389,136,116 for the purpose of providing for debt service payments on the District's utility bonds. Additionally, the District levied an valorem debt service road tax rate of $0.27 per $100 of assessed valuation, which resulted in a tax levy of $1,050,668 on the adjusted taxable valuation of $389,136,116 for the purpose of providing for debt service payments on the District's road bonds.

All property values and exempt status, if any, are determined by the appraisal district. Assessed values are determined as of January 1 of each year, at which time a tax lien attaches to the related property. Taxes are levied around October/November, are due upon receipt and are delinquent the following February 1. Penalty and interest attach thereafter.

NOTE 4. SIGNIFICANT BOND RESOLUTIONS AND LEGAL REQUIREMENTS

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

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

NOTE 5. DEPOSITS AND INVESTMENTS

Deposits

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

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District's deposits was $3,010,609 and the bank balance was $2,985,776. The District was not exposed to custodial credit risk at year-end.

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at December 31, 2020, as listed below:

	Cash	Certificates of Deposit	Total
GENERAL FUND	$ 230,226	$ 1,680,000	$ 1,910,226
DEBT SERVICE FUND - TAX	301,991		301,991
DEBT SERVICE FUND - ROAD	22,808	240,000	262,808
DEBT SERVICE FUND - UTILITY	55,484	480,000	535,484
CAPITAL PROJECTS FUND - UTILITY	100		100
TOTAL DEPOSITS	$ 610,609	$ 2,400,000	$ 3,010,609

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments

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

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

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

Cooperative Liquid Assets Securities System Trust ("Texas CLASS"), an external public funds investment pool that is not SEC-registered. Public Trust Advisors, LLC serves as the pool's administrator and investment advisor. The pool is subject to the general supervision of the Board of Trustees and its Advisory Board. Wells Fargo Bank, N.A. serves as custodian for the pool. Investments held by Texas CLASS are priced to market on a weekly basis. The investments are considered to be Level I investments because their fair value is measured by quoted prices in active markets. The fair value of the District's position in the pool is the same as the value of the pool shares. There are no limitations or restrictions on withdrawals from Texas CLASS. The Districts investments in certificates of deposit are recorded at acquisition cost.

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

As of December 31, 2020, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities of Less Than 1 Year
GENERAL FUND		
Texas CLASS	$ 527,344	$ 527,344
Certificates of Deposit	1,680,000	1,680,000
DEBT SERVICE FUND		
Texas CLASS	636,850	636,850
Certificates of Deposit	720,000	720,000
CAPITAL PROJECTS FUND		
Texas CLASS	460,270	460,270
TOTAL INVESTMENTS	$ 4,024,464	$ 4,024,464

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The District's investments in TexPool and Texas CLASS are rated AAAm by Standard and Poor's. The District also manages credit risk by typically investing in certificates of deposit with balances below FDIC coverage.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investments in TexPool and Texas CLASS to have maturities of less than one year due to the fact the share positions can usually be redeemed each day at the discretion of the District unless there has been a significant change in value. The District also manages interest rate risk by typically investing in certificates of deposit with maturities of less than one year.

Restrictions

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

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020 is as follows:

	January 1, 2020	Increases	Decreases	December 31, 2020
Capital Assets Not Being Depreciated				
Land and Land Improvements	$ 1,209,992	$ 30,289	$	$ 1,240,281
Construction in Progress	1,083,054		1,083,054	
Total Capital Assets Not Being Depreciated	$ 2,293,046	$ 30,289	$ 1,083,054	$ 1,240,281
Capital Assets Subject to Depreciation				
Water System	$ 7,584,481	$ 67,488	$	$ 7,651,969
Wastewater System	9,662,618	95,680		9,758,298
Drainage System	19,443,212	1,456,446		20,899,658
Roads	3,054,045	885,049		3,939,094
Recreational Facilities	2,643,129	1,114,509		3,757,638
Total Capital Assets Subject to Depreciation	$ 42,387,485	$ 3,619,172	$ - 0 -	$ 46,006,657
Accumulated Depreciation				
Water System	$ 788,256	$ 179,126	$	$ 967,382
Wastewater System	1,293,467	230,845		1,524,312
Drainage System	2,364,688	459,636		2,824,324
Roads	173,474	112,336		285,810
Recreational Facilities	613,339	241,147		854,486
Total Accumulated Depreciation	$ 5,233,224	$ 1,223,090	$ -0-	$ 6,456,314
Total Depreciable Capital Assets, Net of Accumulated Depreciation	$ 37,154,261	$ 2,396,082	$ - 0 -	$ 39,550,343
Total Capital Assets, Net of Accumulated Depreciation	$ 39,447,307	$ 2,426,371	$ 1,083,054	$ 40,790,624

NOTE 7. MAINTENANCE TAX

The voters of the District approved the levy and collection of a maintenance tax of not more than $1.50 per $100 of assessed valuation of taxable property within the District. The maintenance tax is to be used by the General Fund to pay for the administration, operation and maintenance of the District and its properties. During the current year, the District levied an ad valorem maintenance tax rate of $0.37 per $100 of assessed valuation, which resulted in a tax levy of $1,439,804 on the adjusted taxable valuation of $389,136,116 for the 2020 tax year. The levy of 2020 taxes is for the purpose of meeting the District's cost of operations in the 2021 fiscal year, therefore, the recognition of revenue for the 2020 maintenance tax levy has been deferred until the 2021 fiscal year.

NOTE 8. ROAD MAINTENANCE TAX

On November 3, 2009, the voters of the District approved the levy and collection of a road maintenance tax of not more than $0.25 per $100 of assessed valuation of taxable property within the District. The road maintenance tax is to be used by the General Fund to pay for the administration, operation and maintenance of the District's roads. During the fiscal year ended December 31, 2020, the District did not levy an ad valorem road maintenance tax.

NOTE 9. UNREIMBURSED COSTS

In accordance with the terms of development financing agreements, developers within the District have made expenditures on behalf of the District for various projects as well as made operating advances to the District. Reimbursements are expected to come from the proceeds of future bond sales. Current year activity is as follows:

Due to Developers, January 1, 2020	$ 15,531,881
Add: Current Year Additions	2,797,437
Less: Current Year Reimbursements	7,421,928
Due to Developers, December 31, 2020	$ 10,907,390

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. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 11. AGREEMENT FOR THE FINANCING, OPERATION AND MAINTENANCE OF REGIONAL FACILITIES

On November 12, 2008, the District entered into an Agreement for Financing, Operation, and Maintenance of Regional Facilities (Master District Facilities) with Fort Bend County Municipal Utility District No. 146 (District No. 146). This agreement was amended and restated on January 1, 2011 and subsequently supplemented on May 13, 2015, and December 13, 2017. District No. 146 will be known as the Master District and will acquire, construct, extend, own, operate, and maintain the Master District Facilities to meet the needs of the participants. The Master District finances the capital costs of the water, wastewater and drainage facilities from connection charges and drainage charges paid by each participant. The cost of the detention facilities will be shared based on the number of acres within each participant's boundaries to be served by the Master District's drainage system.

NOTE 11. AGREEMENT FOR THE FINANCING, OPERATION AND MAINTENANCE OF REGIONAL FACILITIES (Continued)

North Fort Bend Water Authority fees will be allocated based on consumption and detention facilities costs will be allocated to the participants based on acreage. All other operation and maintenance costs will be allocated to the participants based on active connections. The term of this agreement is 40 years. The District advanced $97,817 as an operating reserve and incurred operating charges of $928,282 during the current fiscal year. The District, and the Developer on behalf of the District, have advanced money for the District's share of constructing Master District facilities.

The following summary financial data of the Master District Facilities is presented for the fiscal year ended December 31, 2020. A copy of the financial statements for District No. 146 can be obtained by contacting Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027.

	Operating	Construction
Total Assets	$ 443,894	$ 1,001,098
Total Liabilities	164,416	
Total Fund Balance	$ 279,478	$ 1,001,098
Total Revenues	$ 2,850,311	$ 1,733
Total Expenditures	2,850,311	434
Net Change in Fund Balance	$ -0-	$ 1,299
Beginning Fund Balance	279,478	999,799
Ending Fund Balance	$ 279,478	$ 1,001,098

NOTE 12. STRATEGIC PARTNERSHIP AGREEMENT

The District has entered into a Strategic Partnership Agreement (the "SPA") with the City of Houston (the "City"), effective December 19, 2011 and amended May 14, 2013 to add additional commercial property, pursuant to Chapter 43 of the Texas Local Government Code. The SPA provides for a "limited purpose annexation" of that portion of the District developed for retail and commercial purposes in order to apply certain City health, safety, planning, and zoning ordinances within the District. Residential development within the District is not subject to the limited purpose annexation. Pursuant to the terms of the SPA, certain commercial tracts within the District have been annexed into the City for limited purposes and the City has imposed a one percent sales and use tax (but no property tax) within the areas of limited-purpose annexation and agreed to remit one-half of such sales and use tax to the District to be used for any lawful District purpose. The SPA also provides that the City will not annex the District for "full

NOTE 12. STRATEGIC PARTNERSHIP AGREEMENT (Continued)

purposes" for at least 30 years from the effective date of the SPA. Also, as a condition to full purpose annexation under the SPA, any unpaid reimbursement obligation due to a Developer by the District must be assumed by the City to the maximum extent permitted by Commission rules. The District received $287,342 in relation to this agreement during the current fiscal year. Of this amount, $37,066 was recorded as receivable at year end.

NOTE 13. NORTH FORT BEND WATER AUTHORITY

The District is located within the boundaries of the North Fort Bend Water Authority (the "Authority"). The Authority was created under Article 16, Section 59 of the Texas Constitution by House Bill 3482 (the "Act"), as passed by the 79^{th} Texas Legislature, in 2005. The Act empowers the Authority for purposes including the acquisition and provision of surface water and groundwater for residential, commercial, industrial, agricultural, and other uses, the reduction of groundwater withdrawals, the conservation, preservation, protection, recharge, and prevention of waste of groundwater, and of groundwater reservoirs or their subdivisions, and the control of subsidence caused by withdrawal of water from those groundwater reservoirs or their subdivisions.

The Authority charges a fee, based on the amount of water pumped from a well, to the owners of wells located within the boundaries of the Authority, unless exempted. The District pays its share of pumpage and surface water fees through joint facilities costs paid to District No. 146 (see Note 11). Effective January 1, 2020, the fee charged is $3.95 per 1,000 gallons of water pumped from the Authority ($4.25 per 1,000 gallons effective January 1, 2021). Effective January 1, 2020, the rate charged is $4.30 per 1,000 gallons of surface water delivered ($4.60 per 1,000 gallons effective January 1, 2021).

On November 17, 2016, the District, District No. 146, and the Authority entered into an agreement to construct wastewater effluent treatment facilities for the purpose of providing a non-potable water source for the irrigation and make-up water to property located within the districts. The Authority will design and construct the facilities, which will be owned by the Authority, but operated and maintained by District No. 146. The districts will receive a 10% plus $0.30 discount off the groundwater pumpage fees for each 1,000 gallons of reclaimed water delivered to the irrigation system.

NOTE 14. FIRE PROTECTION AGREEMENT

On December 1, 2013, the District began receiving fire protection from the City of Richmond ("Richmond"). The Agreement calls for the District to pay a monthly charge that is subject to an annual CPI adjustment in an amount not to exceed $15.00 per unit. The current fee paid to Richmond is $14.27 per unit.

NOTE 14. FIRE PROTECTION AGREEMENT (Continued)

The District prepared a detailed fire plan which has been approved by the TCEQ. The District held an election on November 3, 2015, in which District voters approved the fire plan. The District has the authority to impose a mandatory fee on its customers to pay for the monthly charges due to Richmond for fire protection in accordance with the Fire Protection Agreement. Under the District's current rate order, each residential unit receiving service from the District is charged a mandatory fee of $14.27 per month and each commercial connection is billed a mandatory fee of $14.27 per 2,000 square feet or part thereof of building floor area per month.

NOTE 15. AGREEMENT FOR COST SHARING FOR REGIONAL SECURITY SERVICES

On October 1, 2015, the District entered into a Cost Sharing Agreement for Regional Security Services with District No. 146. This agreement was most recently amended on October 1, 2020. The agreement sets forth the terms detailing each district's obligation for joint security costs. The District's share of security costs for the current year totaled $96,474.

NOTE 16. BOND SALES

On March 12, 2020, the District closed on the sale of its $1,170,000 Unlimited Tax Road Bonds, Series 2020. Proceeds of the bonds were used to reimburse the developer for a portion of the costs associated with the construction and engineering for: road facilities to serve Berkeley Knoll Circle South and Berkeley Knoll Circle East; land acquisition costs; and developer interest. Proceeds were also used to pay developer interest and issuance costs of the bonds.

On June 16, 2020, the District closed on the sale of its $2,160,000 Series 2020 Unlimited Tax Refunding Bonds. Proceeds were used to refund $2,050,000 of the Series 2014 Bonds with interest rates of 3.00%-4.25%, maturity dates of 2023-2040, and a redemption date of September 1, 2020. The refunding resulted in gross debt service savings of $199,740 and net present value savings of $145,104.

On June 16, 2020, the District closed on the sale of its $3,065,000 Series 2020A Unlimited Tax Road Refunding Bonds. Proceeds were used to refund $2,935,000 of the Series 2014 Road Bonds with interest rates of 3.00%-4.25%, maturity dates of 2023-2040, and a redemption date of September 1, 2020. The refunding resulted in gross debt service savings of $302,093 and net present value savings of $218,616.

On September 10, 2020, the District closed on the sale of its $6,920,000 Series 2020A Unlimited Tax Bonds. Proceeds were used to reimburse the developer for a portion of the costs associated with the construction and engineering for: water, wastewater and drainage facilities to serve Long Meadow Farms, Sections 30, 39, 41, 42, 43, and 44 and Berkeley Knoll Circle South; water and drainage for a 17-acre tract of land; water and wastewater capacity purchases; and developer interest. Proceeds were also used to pay certain issuance costs of the bonds.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 17. USE OF SURPLUS FUNDS

On December 10, 2020, the Commission approved the District's request to use $429,029 in surplus funds to reimburse the developer for water and wastewater connections/capacity purchases.

NOTE 18. ECONOMIC UNCERTAINTIES

On March 11, 2020, the World Health Organization declared the COVID-19 virus a global pandemic. As a result, economic uncertainties have arisen which could have an impact on the operations of the District. The District is carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty, as the potential financial impact of this pandemic is unknown at this time.

NOTE 19. PRIOR PERIOD ADJUSTMENT

A prior period adjustment was recorded to properly reflect the conveyance of road facilities as well as the capitalization of drainage system improvements. The prior period deficit Net Position was increased to $15,741,461 from a deficit Net Position of $16,085,002, a change of $343,541.

NOTE 20. SUBSEQUENT EVENT – BOND SALE

Subsequent to the report date, the District anticipates closing on the sale of its Series 2021 Road Bonds in the approximate amount of $4,470,000. Proceeds are anticipated to be used to reimburse the developer for road facilities, including developer interest, as well as pay certain issuance costs of the bonds.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194

REQUIRED SUPPLEMENTARY INFORMATION

DECEMBER 31, 2020

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	$ 1,221,687	$ 1,237,248	$ 15,561
Water Service	496,341	500,133	3,792
Wastewater Service	220,000	244,340	24,340
Fire Protection Service	260,000	324,958	64,958
Water Authority Fees	557,702	569,346	11,644
Sales Tax Revenues	410,000	287,342	(122,658)
Tap Connection and Inspection Fees	133,000	364,930	231,930
Investment and Miscellaneous Revenues	70,700	63,900	(6,800)
TOTAL REVENUES	$ 3,369,430	$ 3,592,197	$ 222,767
EXPENDITURES			
Service Operations:			
Professional Fees	$ 202,000	$ 189,202	$ 12,798
Contracted Services	524,540	550,443	(25,903)
Purchased Water/Wastewater Service	725,000	928,282	(203,282)
Repairs and Maintenance/Capital Outlay	875,593	565,394	310,199
Other	289,741	390,429	(100,688)
TOTAL EXPENDITURES	$ 2,616,874	$ 2,623,750	$ (6,876)
NET CHANGE IN FUND BALANCE	$ 752,556	$ 968,447	$ 215,891
FUND BALANCE - JANUARY 1, 2020	1,447,341	1,447,341	
FUND BALANCE - DECEMBER 31, 2020	$ 2,199,897	$ 2,415,788	$ 215,891

See accompanying independent auditor's report.

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FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194

SUPPLEMENTARY INFORMATION REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

DECEMBER 31, 2020

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194
SERVICES AND RATES
FOR THE YEAR ENDED DECEMBER 31, 2020

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

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

2. RETAIL SERVICE PROVIDERS

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

Based on the Rate Order dated August 11, 2020, with rates effective as of October 1, 2020

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons over Minimum Use	Usage Levels
WATER:	$ 15.00	1,000	N	$ 1.00	1,001 to 10,000
				$ 1.50	10,001 to 20,000
				$ 3.00	20,001 to 30,000
				$ 4.00	30,001 and up
WASTEWATER:	$ 21.74		Y		
SURCHARGE:					
Water Authority Fees	Equal to the rate per 1,000 gallons of surface water charged to the District by the NFBWA				
Fire Protection Services	$ 14.27		Y		

District employs winter averaging for wastewater usage? ______ Yes; X No

Total monthly charges per 10,000 gallons usage: Water $24.00 Wastewater: $21.74 Surcharge: $57.27

See accompanying independent auditor's report.

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
Unmetered			x 1.0	
≤¾"	683	681	x 1.0	681
1"	32	32	x 2.5	80
1½"	7	7	x 5.0	35
2"	46	46	x 8.0	368
3"	3	3	x 15.0	45
4"			x 25.0	
6"	7	7	x 50.0	350
8"	5	5	x 80.0	400
10"			x 115.0	
Total Water Connections	783	781		1,959
Total Wastewater Connections	697	697	x 1.0	697

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

Gallons billed to customers: 150,558,000*

* The District is part of an integrated system with Fort Bend County Municipal Utility District No. 146. The system as a whole had an accountability percentage of 95.3% for the current year. See Note 11 for further information.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194
SERVICES AND RATES
FOR THE YEAR ENDED DECEMBER 31, 2020

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

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

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

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes __X__ No ______

County in which District is located:

Fort Bend County, Texas

Is the District located within a city?

Entirely _____ Partly _______ Not at all __X__

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

Entirely __X__ Partly _______ Not at all _____

ETJ in which District is located:

City of Houston, Texas.

Are Board Members appointed by an office outside the District?

Yes _____ No __X__

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2020

PROFESSIONAL FEES:		
Auditing	$	19,250
Engineering		77,315
Legal		92,637
TOTAL PROFESSIONAL FEES	$	189,202
PURCHASED WATER/WASTEWATER SERVICE	$	928,282
CONTRACTED SERVICES:		
Bookkeeping	$	25,706
Operations and Billing		49,941
Solid Waste Disposal		84,435
Security		96,474
Fire Fighting		293,887
TOTAL CONTRACTED SERVICES	$	550,443
UTILITIES:		
Electricity	$	91,957
Telephone		2,935
TOTAL UTILITIES	$	94,892
REPAIRS AND MAINTENANCE	$	374,216
ADMINISTRATIVE EXPENDITURES:		
Director Fees, Including Payroll Taxes and Administration	$	10,874
Insurance		10,622
Office Supplies and Postage		9,297
SPA Audits		4,200
Website, Election, Record Storage, Meetings, Other		30,189
TOTAL ADMINISTRATIVE EXPENDITURES	$	65,182
CAPITAL OUTLAY	$	191,178
TAP CONNECTIONS	$	173,405
OTHER EXPENDITURES:		
Laboratory Fees	$	11,134
Permit, Reconnection, Inspection Fees		42,312
Regulatory Assessment		3,504
TOTAL OTHER EXPENDITURES	$	56,950
TOTAL EXPENDITURES	$	2,623,750

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194
INVESTMENTS
DECEMBER 31, 2020

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
GENERAL FUND					
Texas CLASS	XXXX0005	Varies	Daily	$ 527,344	$
Certificate of Deposit	XXXX1118	0.55%	02/23/21	240,000	803
Certificate of Deposit	XXXX2408	0.60%	08/26/21	240,000	501
Certificate of Deposit	XXXX1155	0.60%	05/18/21	240,000	895
Certificate of Deposit	XXXX0212	0.45%	10/20/21	240,000	213
Certificate of Deposit	XXXX1433	1.10%	05/26/21	240,000	1,606
Certificate of Deposit	XXXX2272	0.75%	05/18/21	240,000	1,119
Certificate of Deposit	XXXX0583	0.70%	04/13/21	240,000	1,045
TOTAL GENERAL FUND				$ 2,207,344	$ 6,182
DEBT SERVICE FUND					
Texas CLASS	XXXX0006	Varies	Daily	$ 475,336	$
Texas CLASS	XXXX0007	Varies	Daily	161,514	
Certificate of Deposit	XXXX0557	0.70%	08/24/21	240,000	603
Certificate of Deposit	XXXX2554	0.65%	02/06/21	240,000	867
Certificate of Deposit	XXXX0726	0.60%	02/06/21	240,000	801
TOTAL DEBT SERVICE FUND				$ 1,356,850	$ 2,271
CAPITAL PROJECTS FUND					
Texas CLASS	XXXX0003	Varies	Daily	$ 15,885	$
Texas CLASS	XXXX0004	Varies	Daily	31,174	
Texas CLASS	XXXX0008	Varies	Daily	413,211	
TOTAL CAPITAL PROJECTS FUND				$ 460,270	$ -0-
TOTAL - ALL FUNDS				$ 4,024,464	$ 8,453

See accompanying independent auditor’s report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2020

	Maintenance Taxes		Debt Service Taxes - Utilities		Debt Service Taxes - Road	
TAXES RECEIVABLE -						
JANUARY 1, 2020	$ 824,978		$ 1,327,882		$ 711,930	
Adjustments to Beginning Balance	(1,922)	$ 823,056	(3,057)	$ 1,324,825	(1,700)	$ 710,230
Original 2020 Tax Levy	$ 1,417,907		$ 2,184,343		$ 1,034,689	
Adjustments to 2020 Tax Levy	21,897	1,439,804	33,732	2,218,075	15,979	1,050,668
TOTAL TO BE ACCOUNTED FOR		$ 2,262,860		$ 3,542,900		$ 1,760,898
TAX COLLECTIONS:						
Prior Years	$ 806,616		$ 1,299,563		$ 694,541	
Current Year	91,008	897,624	140,200	1,439,763	66,411	760,952
TAXES RECEIVABLE - DECEMBER 31, 2020		$ 1,365,236		$ 2,103,137		$ 999,946
TAXES RECEIVABLE BY YEAR:						
2020		$ 1,348,796		$ 2,077,875		$ 984,257
2019		7,240		11,664		6,234
2018		5,757		9,129		5,675
2017		2,816		3,501		3,196
2016		627		968		584
TOTAL		$ 1,365,236		$ 2,103,137		$ 999,946

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2020

	2020	2019	2018	2017
PROPERTY VALUATIONS:				
Land	$ 95,390,928	$ 94,506,008	$ 69,021,688	$ 64,467,128
Improvements	284,247,410	240,076,443	202,187,509	173,467,340
Personal Property	13,629,190	14,874,270	14,510,100	14,292,950
Exemptions	(4,131,412)	(3,265,605)	(4,195,224)	(3,707,264)
TOTAL PROPERTY VALUATIONS	$ 389,136,116	$ 346,191,116	$ 281,524,073	$ 248,520,154
TAX RATES PER $100 VALUATION:				
Debt Service - Utilities	$ 0.57	$ 0.58	$ 0.555	$ 0.46
Debt Service - Road	0.27	0.31	0.345	0.42
Maintenance**	0.37	0.36	0.350	0.37
TOTAL TAX RATES PER $100 VALUATION	$ 1.21	$ 1.25	$ 1.250	$ 1.25
ADJUSTED TAX LEVY*	$ 4,708,547	$ 4,327,389	$ 3,519,052	$ 3,106,502
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	6.32 % ***	99.42 %	99.42 %	99.69 %

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

** Maintenance Tax – Maximum tax rate of $1.50 per $100 of assessed valuation approved by voters. On November 3, 2009, District voters authorized the levy of a road maintenance tax of not more than $0.25 per $100 of assessed valuation.

*** Taxes were in the process of collection at fiscal year-end and were greater than 98% collected as of the date of this report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2020

	SERIES-2013		
Due During Fiscal Years Ending December 31	Principal Due September 1	Interest Due March 1/ September 1	Total
2021	$ 175,000	$ 5,688	$ 180,688
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
	$ 175,000	$ 5,688	$ 180,688

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2020

	SERIES-2013 ROAD		
Due During Fiscal Years Ending December 31	Principal Due September 1	Interest Due March 1/ September 1	Total
2021	$ 85,000	$ 2,975	$ 87,975
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
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2034			
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2040			
2041			
2042			
2043			
2044			
	$ 85,000	$ 2,975	$ 87,975

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2020

	SERIES - 2014		
Due During Fiscal Years Ending December 31	Principal Due September 1	Interest Due March 1/ September 1	Total
2021	$ 65,000	$ 3,550	$ 68,550
2022	70,000	1,925	71,925
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
	$ 135,000	$ 5,475	$ 140,475

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2020

	SERIES - 2014 ROAD		
Due During Fiscal Years Ending December 31	Principal Due September 1	Interest Due March 1/ September 1	Total
2021	$ 105,000	$ 5,650	$ 110,650
2022	110,000	3,024	113,024
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
	$ 215,000	$ 8,674	$ 223,674

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2020

	S E R I E S - 2 0 1 5		
Due During Fiscal Years Ending December 31	Principal Due September 1	Interest Due March 1/ September 1	Total
2021	$ 215,000	$ 149,763	$ 364,763
2022	215,000	144,925	359,925
2023	215,000	139,550	354,550
2024	215,000	133,637	348,637
2025	215,000	127,188	342,188
2026	215,000	120,737	335,737
2027	215,000	113,750	328,750
2028	215,000	106,225	321,225
2029	210,000	98,700	308,700
2030	210,000	91,350	301,350
2031	210,000	83,475	293,475
2032	210,000	75,600	285,600
2033	210,000	67,200	277,200
2034	210,000	58,800	268,800
2035	210,000	50,400	260,400
2036	210,000	42,000	252,000
2037	210,000	33,600	243,600
2038	210,000	25,200	235,200
2039	210,000	16,800	226,800
2040	210,000	8,400	218,400
2041			
2042			
2043			
2044			
	$ 4,240,000	$ 1,687,300	$ 5,927,300

See accompanying independent auditor’s report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2020

	SERIES - 2016 ROAD		
Due During Fiscal Years Ending December 31	Principal Due September 1	Interest Due March 1/ September 1	Total
2021	$ 190,000	$ 89,775	$ 279,775
2022	190,000	85,975	275,975
2023	190,000	82,175	272,175
2024	190,000	78,375	268,375
2025	190,000	74,575	264,575
2026	190,000	70,775	260,775
2027	190,000	66,738	256,738
2028	190,000	62,700	252,700
2029	190,000	58,425	248,425
2030	190,000	54,150	244,150
2031	190,000	49,638	239,638
2032	190,000	45,125	235,125
2033	190,000	40,375	230,375
2034	190,000	35,625	225,625
2035	190,000	30,875	220,875
2036	190,000	26,125	216,125
2037	190,000	20,900	210,900
2038	190,000	15,675	205,675
2039	190,000	10,450	200,450
2040	190,000	5,225	195,225
2041			
2042			
2043			
2044			
	$ 3,800,000	$ 1,003,676	$ 4,803,676

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2020

	SERIES-2016		
Due During Fiscal Years Ending December 31	Principal Due September 1	Interest Due March 1/ September 1	Total
2021	$ 175,000	$ 92,325	$ 267,325
2022	170,000	88,825	258,825
2023	170,000	85,425	255,425
2024	170,000	82,025	252,025
2025	170,000	78,625	248,625
2026	170,000	74,800	244,800
2027	170,000	70,975	240,975
2028	170,000	66,725	236,725
2029	170,000	62,475	232,475
2030	170,000	57,375	227,375
2031	170,000	52,275	222,275
2032	170,000	47,175	217,175
2033	170,000	42,075	212,075
2034	170,000	36,975	206,975
2035	170,000	31,875	201,875
2036	170,000	26,775	196,775
2037	170,000	21,675	191,675
2038	170,000	16,363	186,363
2039	170,000	11,050	181,050
2040	170,000	5,525	175,525
2041			
2042			
2043			
2044			
	$ 3,405,000	$ 1,051,338	$ 4,456,338

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2020

	S E R I E S - 2 0 1 7 R O A D		
Due During Fiscal Years Ending December 31	Principal Due September 1	Interest Due March 1/ September 1	Total
2021	$ 195,000	$ 144,900	$ 339,900
2022	195,000	135,638	330,638
2023	195,000	126,375	321,375
2024	195,000	117,113	312,113
2025	195,000	111,263	306,263
2026	190,000	106,875	296,875
2027	190,000	102,600	292,600
2028	190,000	98,088	288,088
2029	190,000	93,100	283,100
2030	190,000	87,875	277,875
2031	190,000	82,175	272,175
2032	190,000	76,475	266,475
2033	190,000	70,775	260,775
2034	190,000	64,838	254,838
2035	190,000	58,900	248,900
2036	190,000	52,725	242,725
2037	190,000	46,550	236,550
2038	190,000	39,900	229,900
2039	190,000	33,250	223,250
2040	190,000	26,600	216,600
2041	190,000	19,950	209,950
2042	190,000	13,300	203,300
2043	190,000	6,650	196,650
2044			
	$ 4,395,000	$ 1,715,915	$ 6,110,915

See accompanying independent auditor’s report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2020

	SERIES-2018		
Due During Fiscal Years Ending December 31	Principal Due September 1	Interest Due March 1/ September 1	Total
2021	$ 220,000	$ 194,219	$ 414,219
2022	220,000	187,619	407,619
2023	220,000	181,019	401,019
2024	220,000	174,419	394,419
2025	220,000	167,819	387,819
2026	220,000	159,019	379,019
2027	220,000	150,219	370,219
2028	220,000	141,419	361,419
2029	220,000	132,619	352,619
2030	220,000	123,819	343,819
2031	220,000	115,019	335,019
2032	220,000	106,219	326,219
2033	220,000	97,419	317,419
2034	220,000	88,619	308,619
2035	215,000	79,819	294,819
2036	215,000	70,950	285,950
2037	215,000	62,081	277,081
2038	215,000	53,212	268,212
2039	215,000	44,344	259,344
2040	215,000	35,475	250,475
2041	215,000	26,606	241,606
2042	215,000	17,737	232,737
2043	215,000	8,869	223,869
2044			
	$ 5,015,000	$ 2,418,559	$ 7,433,559

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2020

	S E R I E S - 2 0 1 9 R O A D R E F U N D I N G		
Due During Fiscal Years Ending December 31	Principal Due September 1	Interest Due March 1/ September 1	Total
2021	$ 15,000	$ 90,000	$ 105,000
2022	100,000	89,700	189,700
2023	110,000	86,700	196,700
2024	115,000	82,300	197,300
2025	120,000	77,700	197,700
2026	120,000	74,100	194,100
2027	125,000	70,500	195,500
2028	135,000	66,125	201,125
2029	140,000	61,400	201,400
2030	145,000	56,850	201,850
2031	150,000	52,137	202,137
2032	155,000	47,637	202,637
2033	155,000	42,987	197,987
2034	160,000	38,337	198,337
2035	170,000	33,537	203,537
2036	170,000	28,437	198,437
2037	175,000	23,125	198,125
2038	180,000	17,656	197,656
2039	190,000	12,031	202,031
2040	195,000	6,094	201,094
2041			
2042			
2043			
2044			
	$ 2,825,000	$ 1,057,353	$ 3,882,353

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2020

	SERIES-2019 REFUNDING		
Due During Fiscal Years Ending December 31	Principal Due September 1	Interest Due March 1/ September 1	Total
2021	$ 25,000	$ 152,331	$ 177,331
2022	210,000	151,831	361,831
2023	215,000	145,531	360,531
2024	225,000	136,931	361,931
2025	235,000	127,931	362,931
2026	245,000	120,881	365,881
2027	255,000	113,531	368,531
2028	260,000	104,606	364,606
2029	275,000	95,506	370,506
2030	280,000	86,569	366,569
2031	290,000	77,469	367,469
2032	295,000	68,769	363,769
2033	305,000	59,919	364,919
2034	315,000	50,769	365,769
2035	320,000	41,319	361,319
2036	330,000	31,719	361,719
2037	335,000	21,406	356,406
2038	350,000	10,937	360,937
2039			
2040			
2041			
2042			
2043			
2044			
	$ 4,765,000	$ 1,597,955	$ 6,362,955

See accompanying independent auditor’s report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2020

	SERIES-2019A		
Due During Fiscal Years Ending December 31	Principal Due September 1	Interest Due March 1/ September 1	Total
2021	$	$ 161,594	$ 161,594
2022	305,000	161,594	466,594
2023	305,000	155,493	460,493
2024	305,000	149,394	454,394
2025	305,000	143,293	448,293
2026	305,000	137,194	442,194
2027	305,000	131,093	436,093
2028	305,000	124,994	429,994
2029	305,000	118,893	423,893
2030	305,000	112,794	417,794
2031	305,000	106,312	411,312
2032	305,000	99,831	404,831
2033	305,000	92,969	397,969
2034	305,000	86,106	391,106
2035	305,000	79,243	384,243
2036	305,000	72,000	377,000
2037	305,000	64,757	369,757
2038	305,000	57,132	362,132
2039	305,000	49,507	354,507
2040	305,000	41,881	346,881
2041	305,000	34,257	339,257
2042	300,000	26,250	326,250
2043	300,000	18,000	318,000
2044	300,000	9,000	309,000
	$ 7,000,000	$ 2,233,581	$ 9,233,581

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2020

	SERIES - 2020 ROAD		
Due During Fiscal Years Ending December 31	Principal Due September 1	Interest Due March 1/ September 1	Total
2021	$ 50,000	$ 30,500	$ 80,500
2022	50,000	28,500	78,500
2023	50,000	26,500	76,500
2024	50,000	24,500	74,500
2025	50,000	22,500	72,500
2026	50,000	20,500	70,500
2027	50,000	19,500	69,500
2028	50,000	18,500	68,500
2029	50,000	17,500	67,500
2030	50,000	16,500	66,500
2031	50,000	15,500	65,500
2032	50,000	14,500	64,500
2033	50,000	13,500	63,500
2034	50,000	12,437	62,437
2035	50,000	11,375	61,375
2036	50,000	10,250	60,250
2037	50,000	9,125	59,125
2038	50,000	7,938	57,938
2039	45,000	6,750	51,750
2040	45,000	5,625	50,625
2041	45,000	4,500	49,500
2042	45,000	3,375	48,375
2043	45,000	2,250	47,250
2044	45,000	1,125	46,125
	$ 1,170,000	$ 343,250	$ 1,513,250

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2020

	SERIES-2020 REFUNDING		
Due During Fiscal Years Ending December 31	Principal Due September 1	Interest Due March 1/ September 1	Total
2021	$ 5,000	$ 64,338	$ 69,338
2022	5,000	64,137	69,137
2023	85,000	63,938	148,938
2024	85,000	60,537	145,537
2025	90,000	57,138	147,138
2026	95,000	53,537	148,537
2027	100,000	49,738	149,738
2028	105,000	45,737	150,737
2029	110,000	42,588	152,588
2030	110,000	39,287	149,287
2031	115,000	35,987	150,987
2032	125,000	33,400	158,400
2033	125,000	30,587	155,587
2034	130,000	27,306	157,306
2035	135,000	23,894	158,894
2036	135,000	20,350	155,350
2037	145,000	16,638	161,638
2038	150,000	12,650	162,650
2039	155,000	8,525	163,525
2040	155,000	4,263	159,263
2041			
2042			
2043			
2044			
	$ 2,160,000	$ 754,575	$ 2,914,575

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2020

	SERIES - 2020A ROAD REFUNDING		
Due During Fiscal Years Ending December 31	Principal Due September 1	Interest Due March 1/ September 1	Total
2021	$ 10,000	$ 91,606	$ 101,606
2022	10,000	91,206	101,206
2023	120,000	90,806	210,806
2024	125,000	86,006	211,006
2025	130,000	81,006	211,006
2026	140,000	75,806	215,806
2027	145,000	70,206	215,206
2028	155,000	64,406	219,406
2029	160,000	59,756	219,756
2030	165,000	54,956	219,956
2031	165,000	50,006	215,006
2032	175,000	46,294	221,294
2033	175,000	42,356	217,356
2034	180,000	37,763	217,763
2035	190,000	33,038	223,038
2036	195,000	28,050	223,050
2037	200,000	22,688	222,688
2038	205,000	17,188	222,188
2039	210,000	11,550	221,550
2040	210,000	5,775	215,775
2041			
2042			
2043			
2044			
	$ 3,065,000	$ 1,060,468	$ 4,125,468

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2020

	S E R I E S - 2 0 2 0 A		
Due During Fiscal Years Ending December 31	Principal Due September 1	Interest Due March 1/ September 1	Total
2021	$ 285,000	$ 154,635	$ 439,635
2022	290,000	147,200	437,200
2023	290,000	135,600	425,600
2024	290,000	124,000	414,000
2025	290,000	112,400	402,400
2026	290,000	100,800	390,800
2027	290,000	96,450	386,450
2028	290,000	92,100	382,100
2029	290,000	87,750	377,750
2030	290,000	83,400	373,400
2031	290,000	79,050	369,050
2032	290,000	74,700	364,700
2033	290,000	68,900	358,900
2034	290,000	63,100	353,100
2035	290,000	57,300	347,300
2036	290,000	51,500	341,500
2037	290,000	45,700	335,700
2038	285,000	39,900	324,900
2039	285,000	34,200	319,200
2040	285,000	28,500	313,500
2041	285,000	22,800	307,800
2042	285,000	17,100	302,100
2043	285,000	11,400	296,400
2044	285,000	5,700	290,700
	$ 6,920,000	$ 1,734,185	$ 8,654,185

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194
LONG-TERM DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2020

Due During Fiscal Years Ending December 31	ANNUAL REQUIREMENTS FOR ALL SERIES Total Principal Due	Total Interest Due	Total Principal and Interest Due
2021	$ 1,815,000	$ 1,433,849	$ 3,248,849
2022	2,140,000	1,382,099	3,522,099
2023	2,165,000	1,319,112	3,484,112
2024	2,185,000	1,249,237	3,434,237
2025	2,210,000	1,181,438	3,391,438
2026	2,230,000	1,115,024	3,345,024
2027	2,255,000	1,055,300	3,310,300
2028	2,285,000	991,625	3,276,625
2029	2,310,000	928,712	3,238,712
2030	2,325,000	864,925	3,189,925
2031	2,345,000	799,043	3,144,043
2032	2,375,000	735,725	3,110,725
2033	2,385,000	669,062	3,054,062
2034	2,410,000	600,675	3,010,675
2035	2,435,000	531,575	2,966,575
2036	2,450,000	460,881	2,910,881
2037	2,475,000	388,245	2,863,245
2038	2,500,000	313,751	2,813,751
2039	2,165,000	238,457	2,403,457
2040	2,170,000	173,363	2,343,363
2041	1,040,000	108,113	1,148,113
2042	1,035,000	77,762	1,112,762
2043	1,035,000	47,169	1,082,169
2044	630,000	15,825	645,825
	$ 49,370,000	$ 16,680,967	$ 66,050,967

See accompanying independent auditor's report.

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FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194
CHANGES IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED DECEMBER 31, 2020

Description	Original Bonds Issued	Bonds Outstanding January 1, 2020
Fort Bend County Municipal Utility District No. 194 Unlimited Tax Bonds - Series 2013	$ 5,850,000	$ 340,000
Fort Bend County Municipal Utility District No. 194 Unlimited Tax Road Bonds - Series 2013	3,200,000	165,000
Fort Bend County Municipal Utility District No. 194 Unlimited Tax Bonds - Series 2014	2,470,000	2,250,000
Fort Bend County Municipal Utility District No. 194 Unlimited Tax Road Bonds - Series 2014	3,610,000	3,250,000
Fort Bend County Municipal Utility District No. 194 Unlimited Tax Bonds - Series 2015	5,100,000	4,455,000
Fort Bend County Municipal Utility District No. 194 Unlimited Tax Road Bonds - Series 2016	4,565,000	3,990,000
Fort Bend County Municipal Utility District No. 194 Unlimited Tax Bonds - Series 2016	4,100,000	3,580,000
Fort Bend County Municipal Utility District No. 194 Unlimited Tax Road Bonds - Series 2017	4,975,000	4,590,000
Fort Bend County Municipal Utility District No. 194 Unlimited Tax Bonds - Series 2018	5,450,000	5,235,000

See accompanying independent auditor’s report.

Current Year Transactions				
	Retirements			
Bonds Sold	Principal	Interest	Bonds Outstanding December 31, 2020	Paying Agent
$	$ 165,000	$ 10,638	$ 175,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	80,000	5,575	85,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	2,115,000	45,169	135,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	3,035,000	64,747	215,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	215,000	154,062	4,240,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	190,000	93,575	3,800,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	175,000	97,137	3,405,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	195,000	154,162	4,395,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	220,000	200,819	5,015,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX

See accompanying independent auditor’s report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194
CHANGES IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED DECEMBER 31, 2020

Description	Original Bonds Issued	Bonds Outstanding January 1, 2020
Fort Bend County Municipal Utility District No. 194 Unlimited Tax Road Refunding Bonds - Series 2019	$ 2,840,000	$ 2,840,000
Fort Bend County Municipal Utility District No. 194 Unlimited Tax Refunding Bonds - Series 2019	4,790,000	4,790,000
Fort Bend County Municipal Utility District No. 194 Unlimited Tax Bonds - Series 2019A	7,000,000	7,000,000
Fort Bend County Municipal Utility District No. 194 Unlimited Tax Road Bonds - Series 2020	1,170,000	
Fort Bend County Municipal Utility District No. 194 Unlimited Tax Refunding Bonds - Series 2020	2,160,000	
Fort Bend County Municipal Utility District No. 194 Unlimited Tax Road Refunding Bonds - Series 2020A	3,065,000	
Fort Bend County Municipal Utility District No. 194 Unlimited Tax Bonds - Series 2020A	6,920,000	
TOTAL	$ 67,265,000	$ 42,485,000

Bond Authority:	Utility Bonds	Road/Refunding Road Bonds	Park and Refunding Bonds	Refunding Bonds - Utility
Amount Authorized by Voters	$ 68,550,000	$ 44,000,000	$ 7,000,000	$ 34,275,000
Amount Issued	36,890,000	17,790,000		275,000
Remaining to be Issued	$ 31,660,000	$ 26,210,000	$ 7,000,000	$ 34,000,000

See accompanying independent auditor's report.

Current Year Transactions				
	Retirements		Bonds	
Bonds Sold	Principal	Interest	Outstanding December 31, 2020	Paying Agent
$	$ 15,000	$ 90,300	$ 2,825,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	25,000	152,831	4,765,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
		129,275	7,000,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
1,170,000		14,318	1,170,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
2,160,000		13,404	2,160,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
3,065,000		19,085	3,065,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
6,920,000			6,920,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
$ 13,315,000	$ 6,430,000	$ 1,245,097	$ 49,370,000	

Debt Service Fund cash and investment balances as of December 31, 2020:	$ 1,737,133
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 2,752,124

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

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - FIVE YEARS

	Amounts		
	2020	2019	2018
REVENUES			
Property Taxes	$ 1,237,248	$ 973,014	$ 913,882
Water Service	500,133	436,088	385,130
Wastewater Service	244,340	214,098	188,319
Fire Protection Service	324,958	259,260	198,481
Water Authority Fees	569,346	475,092	383,749
Tap Connection and Inspection Fees	364,930	309,089	279,180
Sales Tax Revenues	287,342	356,226	433,124
Investment and Miscellaneous Revenues	63,900	96,222	81,708
TOTAL REVENUES	$ 3,592,197	$ 3,119,089	$ 2,863,573
EXPENDITURES			
Professional Fees	$ 189,202	$ 172,775	$ 170,654
Contracted Services	550,443	509,948	425,222
Purchased Water/Wastewater Service	928,282	740,051	581,681
Repairs and Maintenance	374,216	1,440,922	264,419
Other	390,429	360,060	290,028
Capital Outlay	191,178		1,280,005
TOTAL EXPENDITURES	$ 2,623,750	$ 3,223,756	$ 3,012,009
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 968,447	$ (104,667)	$ (148,436)
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	$	$ 147,648	$ (82,549)
Contributed by Fort Bend County			
TOTAL OTHER FINANCING SOURCES (USES)	$ -0-	$ 147,648	$ (82,549)
NET CHANGE IN FUND BALANCE	$ 968,447	$ 42,981	$ (230,985)
BEGINNING FUND BALANCE	1,447,341	1,404,360	1,635,345
ENDING FUND BALANCE	$ 2,415,788	$ 1,447,341	$ 1,404,360

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2017	2016	2020	2019	2018	2017	2016
$ 740,544	$ 855,992	34.5 %	31.2 %	32.0 %	29.0 %	37.5 %
360,847	312,154	13.9	14.0	13.4	14.2	13.7
164,190	134,282	6.8	6.9	6.6	6.4	5.9
163,069	143,127	9.0	8.3	6.9	6.4	6.3
320,113	252,771	15.8	15.2	13.4	12.6	11.1
397,390	137,523	10.2	9.9	9.7	15.6	6.0
369,354	423,949	8.0	11.4	15.1	14.5	18.6
34,181	19,672	1.8	3.1	2.9	1.3	0.9
$ 2,549,688	$ 2,279,470	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
$ 222,847	$ 194,058	5.3 %	5.5 %	6.0 %	8.7 %	8.5 %
367,746	325,887	15.3	16.3	14.8	14.4	14.3
506,617	492,014	25.8	23.7	20.3	19.9	21.6
239,905	130,784	10.4	46.2	9.2	9.4	5.7
394,396	156,207	10.9	11.5	10.1	15.5	6.9
2,118,672	192,858	5.3		44.7	83.1	8.5
$ 3,850,183	$ 1,491,808	73.0 %	103.2 %	105.1 %	151.0 %	65.5 %
$ (1,300,495)	$ 787,662	27.0 %	(3.2) %	(5.1) %	(51.0) %	34.5 %
$ 1,278,443	$ 16,511					
$ 1,278,443	$ 16,511					
$ (22,052)	$ 804,173					
1,657,397	853,224					
$ 1,635,345	$ 1,657,397					

See accompanying independent auditor’s report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND - FIVE YEARS

	Amounts		
	2020	2019	2018
REVENUES			
Property Taxes	$ 3,058,722	$ 2,500,012	$ 2,173,530
Investment and Miscellaneous Revenues	39,929	56,605	30,457
TOTAL REVENUES	$ 3,098,651	$ 2,556,617	$ 2,203,987
EXPENDITURES			
Tax Collection and Bond Issuance Costs	$ 373,921	$ 503,029	$ 38,634
Debt Service Principal	1,445,000	1,380,000	1,140,000
Debt Service Interest and Fees	1,253,597	1,139,237	1,104,909
TOTAL EXPENDITURES	$ 3,072,518	$ 3,022,266	$ 2,283,543
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 26,133	$ (465,649)	$ (79,556)
OTHER FINANCING SOURCES (USES)			
Proceeds from Issuance of Long-Term Debt	$ 5,225,000	$ 161,594	$ 207,269
Proceeds from Issuance of Refunding Bonds		7,630,000	
Payment to Refunding Bond Escrow Agent	(5,021,038)	(7,359,728)	
Bond Premium	68,342	79,901	
TOTAL OTHER FINANCING SOURCES (USES)	$ 272,304	$ 511,767	$ 207,269
NET CHANGE IN FUND BALANCE	$ 298,437	$ 46,118	$ 127,713
BEGINNING FUND BALANCE	1,120,874	1,074,756	947,043
ENDING FUND BALANCE	$ 1,419,311	$ 1,120,874	$ 1,074,756
TOTAL ACTIVE RETAIL WATER CONNECTIONS	781	642	592
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	697	562	526

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2017	2016	2020	2019	2018	2017	2016
$ 1,833,695	$ 1,089,445	98.7 %	97.8 %	98.6 %	99.0 %	99.4 %
18,556	6,145	1.3	2.2	1.4	1.0	0.6
$ 1,852,251	$ 1,095,590	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
$ 34,356	$ 25,950	12.1 %	19.7 %	1.8 %	1.9 %	2.4 %
935,000	340,000	46.6	54.0	51.7	50.5	31.0
970,146	738,926	40.5	44.6	50.1	52.4	67.4
$ 1,939,502	$ 1,104,876	99.2 %	118.3 %	103.6 %	104.8 %	100.8 %
$ (87,251)	$ (9,286)	0.8 %	(18.3) %	(3.6) %	(4.8) %	(0.8) %
$ 172,450	$ 223,012					
$ 172,450	$ 223,012					
$ 85,199	$ 213,726					
861,844	648,118					
$ 947,043	$ 861,844					
504	371					
442	331					

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
DECEMBER 31, 2020

District Mailing Address	-	Fort Bend County Municipal Utility District No. 194 c/o Allen Boone Humphries Robinson LLP 3200 Southwest Freeway, Suite 2600 Houston, TX 77027
District Telephone Number	-	(713) 860-6400

Board Members	Term of Office (Elected or Appointed)	Fees of Office for the year ended December 31, 2020	Expense Reimbursements for the year ended December 31, 2020	Title
Justin Morales	05/20 – 05/24 (Elected)	$ 1,800	$ 60	President
Matthew Turman	06/18 – 05/22 (Appointed)	$ 2,250	$ 132	Vice President
June Tang	05/20 – 05/24 (Elected)	$ 1,200	$ 40	Secretary
Mark Justiniano	05/20 – 05/24 (Elected)	$ 1,650	$ -0-	Assistant Secretary
Fernando Lopez, Jr.	04/19 – 05/22 (Appointed)	$ 1,350	$ 60	Assistant Vice President/ Assistant Secretary

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

The submission date of the most recent District Registration Form: May 26, 2020

The limit on Fees of Office that a Director may receive during a fiscal year is $7,200 as set by Board Resolution dated March 10, 2008 and state law. Fees of Office are the amounts actually paid to a Director during the District's current fiscal year.

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 194
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
DECEMBER 31, 2020

Consultants:	Date Hired	Fees for the year ended December 31, 2020	Title
Allen Boone Humphries Robinson LLP	03/10/08	\$ 122,723 \$ 310,883	General Counsel Bond Counsel
McCall Gibson Swedlund Barfoot PLLC	01/13/11	\$ 18,500 \$ 29,750	Auditor Bond Related
Municipal Accounts & Consulting, LP	05/03/18	\$ 38,661	Bookkeeper
Costello, Inc.	04/29/08	\$ 140,105	Engineer
Masterson Advisors LLC	05/03/18	\$ 210,251	Financial Advisor
Mark Burton Ghia Lewis	06/07/18	\$ -0-	Investment Officers
Environmental Development Partners, LLC	06/01/12	\$ 410,159	Operator
Tax Tech Inc.	08/06/09	\$ 21,723	Tax Assessor/ Collector

See accompanying independent auditor's report.

APPENDIX B

Specimen Municipal Bond Insurance Policy

ASSURED GUARANTY MUNICIPAL

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