OFFICIAL STATEMENT DATED DECEMBER 16, 2021

IN THE OPINION OF BOND COUNSEL, THE BONDS ARE VALID OBLIGATIONS OF THE DISTRICT AND UNDER STATUTES, REGULATIONS, PUBLISHED RULINGS AND COURT DECISIONS EXISTING ON THE DATE THEREOF, INTEREST ON THE BONDS WILL BE EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES, SUBJECT TO THE MATTERS DESCRIBED UNDER "LEGAL MATTERS – TAX EXEMPTION" HEREIN, WHICH INCLUDES A DISCUSSION OF THE OPINION OF BOND COUNSEL.

THE BONDS ARE **NOT** "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 "A3"
See "MUNICIPAL BOND RATING" and "MUNICIPAL BOND INSURANCE" herein.

$8,285,000
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 134B
(A political subdivision of the State of Texas located within Fort Bend County)
UNLIMITED TAX ROAD BONDS
SERIES 2022

The bonds described above (the "Bonds") are obligations solely of Fort Bend County Municipal Utility District No. 134B (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 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."

Dated Date: January 1, 2022 **Due: March 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. in Dallas, Texas (the "Paying Agent/Registrar"). Interest on the Bonds accrues from the initial date of delivery (expected to be January 21, 2022) (the "Date of Delivery") and is payable each March 1 and September 1 commencing September 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 and delivered only in the name of Cede & Co., as nominee for the Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Beneficial Owners (as herein defined) 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 (March 1)	Principal Amount		Interest Rate	Initial Reoffering Yield (a)	CUSIP Number (b)	Due (March 1)	Principal Amount		Interest Rate	Initial Reoffering Yield (a)	CUSIP Number (b)
2023	$ 350,000		3.000%	0.40%	34683L QA7	2032	$ 345,000	(c)	2.000%	1.80%	34683L QK5
2024	345,000		3.000	0.55	34683L QB5	2033	345,000	(c)	2.000	2.00	34683L QL3
2025	345,000		3.000	0.70	34683L QC3	2034	345,000	(c)	2.000	2.10	34683L QM1
2026	345,000		2.000	0.85	34683L QD1	2035	345,000	(c)	2.000	2.20	34683L QN9
2027	345,000		2.000	1.00	34683L QE9	2036	345,000	(c)	2.125	2.30	34683L QP4
2028	345,000	(c)	1.000	1.25	34683L QF6	2037	345,000	(c)	2.125	2.35	34683L QQ2
2029	345,000	(c)	1.250	1.45	34683L QG4	2038	345,000	(c)	2.250	2.40	34683L QR0
2030	345,000	(c)	2.000	1.50	34683L QH2	2039	345,000	(c)	2.250	2.45	34683L QS8
2031	345,000	(c)	2.000	1.65	34683L QJ8	2040	345,000	(c)	2.375	2.50	34683L QT6

$690,000 Term Bonds due March 1, 2042 (c), 34683L QV1 (b), 2.375% Interest Rate, 2.55% Yield (a)
$690,000 Term Bonds due March 1, 2044 (c), 34683L QX7 (b), 2.500% Interest Rate, 2.60% Yield (a)
$690,000 Term Bonds due March 1, 2046 (c), 34683L QZ2 (b), 2.500% Interest Rate, 2.65% Yield (a)

(a) Initial reoffering yield represents the initial offering yield to the public, which has been established by the Underwriter for offers to the public and which may be subsequently changed by the Underwriter and is the sole responsibility of the Underwriter. The initial reoffering yields indicated above represent the lower of the yields resulting when priced to maturity or to the first call date.
(b) CUSIP Numbers have been assigned to the Bonds by CUSIP Service Bureau and are included solely for the convenience of the purchasers of the Bonds. Neither the District nor the Underwriter shall be responsible for the selection or correctness of the CUSIP Numbers set forth herein.
(c) Bonds maturing on or after March 1, 2028, are subject to redemption prior to maturity at the option of the District, in whole or, from time to time, in part, on March 1, 2027, or on any date thereafter, at a price equal to par plus 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."

The Bonds, when issued, will constitute valid and legally binding obligations of the District and will be payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property within the District, as further described herein.

The Bonds are offered when, as and if issued by the District, subject, among other things, to the approval of the Bonds by the Attorney General of Texas and the approval of certain legal matters by Coats Rose, P.C., Houston, Texas, Bond Counsel. Delivery of the Bonds in book- entry form through the facilities of DTC is expected on or about January 21, 2022.

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

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

All of the summaries of the statutes, orders, contracts, audited financial statements, engineering and other related reports set forth in this OFFICIAL STATEMENT are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents, copies of which are available from Coats Rose, P.C., 9 Greenway Plaza, 10th Floor, Houston, Texas, 77046 upon payment of the costs of duplication therefor.

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 THE 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") bearing the interest rates shown on the cover page hereof, at a price of 98.2691% of the par value thereof which resulted in a net effective interest rate of 2.380436% as calculated pursuant to Chapter 1204, Texas Government Code (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 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 municipal entities, as bonds of such entities are more generally bought, sold or traded in the secondary market.

Securities Laws

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

OFFICIAL STATEMENT SUMMARY

The following is a brief summary of certain information contained herein which is qualified in its entirety by the more 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.

Impact… 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 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 COVID-19 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 operating as a municipal utility district pursuant to Article XVI, Section 59 of the Texas Constitution. The District was created by an Order Dividing Fort Bend County Municipal Utility District No. 134 and Redefining Boundaries dated August 10, 2007, pursuant to Chapter 1342, Acts of the 77th Legislature, Regular Session, 2001, as amended by Senate Bill 1872, 79th Legislature, Regular Session, 2005, and Senate Bill 1823, 83rd Session, 2013 (collectively the "Act"). The District is vested with all the rights, privileges, authority and functions conferred by the laws of the State of Texas applicable to municipal utility districts, including without limitation those conferred by Article XVI, Section 59, and Article III, Section 52 of the Texas Constitution, the Act and Chapters 49 and 54 of the Texas Water Code, as amended. The District consists currently of approximately 1,123 acres of land. See "THE DISTRICT."

Location... The District is located in Fort Bend County, approximately 28 miles southwest of the central downtown business district of the City of Houston and entirely within the extraterritorial jurisdiction of the City of Houston. The District is generally bounded by Texas State Highway 99 (Grand Parkway) on the west, West Bellfort on the north, Owens Road on the South and Farm-to-Market 1464 on the east. See "THE DISTRICT" and "AERIAL LOCATION MAP."

Aliana... The District is part of the approximately 2,000 acre master-planned community known as "Aliana." Aliana is comprised of the District, Fort Bend County Municipal Utility District No. 134A ("MUD 134A" or the "Master District") and Fort Bend County Municipal Utility District No. 134C ("MUD 134C"). The District, MUD 134A and MUD 134C are collectively referred to as the "Aliana Districts." See "ALIANA."

The Developer and Principal Landowner… The developer of Aliana is AIRIA Development Company, a Texas corporation ("AIRIA" or the "Developer"). AIRIA provides development services on behalf of Aliana Development Company, a Texas corporation ("ADC") for the Aliana development. The land within the Aliana project boundaries was initially owned by BAM Houston Real Estate Investment, a Texas limited partnership ("BREI"). To date, ADC has purchased approximately 2,000 acres of land, which encompasses the entirety of the Aliana project. BREI is a separate and distinct entity which functions solely as a land holding company. AIRIA provides land management services on behalf of BREI for Aliana. The controlling interests in AIRIA, ADC and BREI are primarily lineal descendants (or their trusts) of Lester Benny Binion and Phyllis Cope. The President of AIRIA and ADC is E. Travis Stone, Jr.

In addition, NewQuest Properties, a Texas company, doing business within the District as A-S 144 Grand Parkway W Airport LP, a Texas limited partnership, ("NewQuest") owns approximately 31 acres within the District marketed as the commercial development The Grand at Aliana. To date approximately 15 acres have vertical improvements constructed.

See "THE DISTRICT" and "THE DEVELOPER AND PRINCIPAL LANDOWNERS."

Status of Development… The land within the District is being developed primarily as a single-family residential community, currently consisting of 2,216 single-family residential lots on approximately 768 acres. As of November 18, 2021, the District consisted of 2,058 completed homes (2,050 occupied), 149 homes under construction or in a builder's name, and 9 vacant developed lots available for home construction. According to the Developer, homes within the District range in sales price from approximately $300,000 to over $1,000,000.

Utilities to serve approximately 136 acres of commercial tracts have been constructed and various commercial have been developed as described herein. Approximately 18 acres have been constructed as a school site on which an elementary school is located and approximately 201 acres are not developable (street easements, right-of-way, drainage, detention, parks and recreation space and utility sites). See "THE DISTRICT—Land Use" and "—Status of Development."

Homebuilding... Homebuilders active within the District include Ashton Woods Homes, Highland Homes, J. Patrick Homes, Lennar Homes, Meritage Homes, MHI Partnership, Partners in Building, Perry Homes, Sitterle Homes, and Village Builders. See "THE DISTRICT—Status of Development—Homebuilders within the District."

Regional Facilities... The Master District has contracted with the Aliana Districts to provide water supply and wastewater treatment as well as regional water distribution, wastewater collection trunk lines and storm water collection trunk lines necessary to serve Aliana (collectively, the "Master District Facilities"). See "WATER, WASTEWATER AND DRAINAGE."

Payment Record... The District has previously issued eight series of unlimited tax road bonds totaling $62,940,000 principal amount and six series of unlimited tax water, sewer and drainage bonds totaling $62,325,000 principal amount, of which $115,145,000 is collectively outstanding as of the date hereof (the "Outstanding Bonds"). The District has never defaulted on its debt service obligations. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)."

THE BONDS

Description...	Fort Bend County Municipal Utility District No. 134B Unlimited Tax Road Bonds, Series 2022, in the aggregate principal amount of $8,285,000 maturing serially on March 1 in each of the years 2023 through 2040, both inclusive, and as term bonds maturing on March 1 in each of the years 2042, 2044 and 2046 (the "Term Bonds"). Interest accrues from the Date of Delivery at the rates per annum set forth on the cover page hereof, and is payable on September 1, 2022, and each March 1 and September 1 thereafter until the earlier of stated maturity or redemption. The Bonds will be issued as fully registered bonds, pursuant to an order authorizing the issuance of the Bonds (the "Bond Order"), adopted by the Board of Directors of the District (the "Board"), in fully registered form only, in denominations of $5,000 or any integral multiple of $5,000. See "THE BONDS—General."
Book-Entry-Only System...	The Depository Trust Company ("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 ("Registered Owner"). One fully-registered certificate will be issued for each maturity of the Bonds and will be deposited with DTC. See "BOOK-ENTRY-ONLY SYSTEM."
Redemption...	Bonds maturing on or after March 1, 2028, 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 March 1, 2027, or on any date thereafter, at a price of par plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. The Term Bonds also are 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 construction costs outlined herein under "USE AND DISTRIBUTION OF BOND PROCEEDS," to pay interest on funds that have been advanced by the Developer and NewQuest on behalf of the District; and to pay legal fees, financial advisory fees, administrative costs and certain other costs and engineering fees related to the issuance of the Bonds. In addition, Bond proceeds will be used to capitalize twelve (12) months of interest on the Bonds.
Authority for Issuance...	The Bonds are the ninth series of bonds issued out an aggregate of $125,000,000 principal amount of unlimited tax bonds authorized by the District's voters on May 10, 2008, for the purpose of financing road improvements and facilities to serve the land within its boundaries. The Bonds are issued by the District pursuant to the terms and conditions of the Bond Order (herein defined), Article III, Section 52 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, as amended, the Act, and the 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 Outstanding Bonds, the Bonds and such additional tax bonds as may hereafter be issued by the District are payable from the proceeds of a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property within the District. See "THE BONDS—Source of and Security for 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 a municipal bond rating of "AA" (stable outlook) and Moody's Investors Service, Inc. ("Moody's") has assigned a municipal bond rating 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 "A3" 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 District has **not** designated the Bonds as "qualified tax-exempt obligations" for financial institutions.

Bond Counsel...	Coats Rose, P.C., Bond Counsel, Houston, Texas. See “MANAGEMENT OF THE DISTRICT” and “LEGAL MATTERS.”
Disclosure Counsel...	McCall, Parkhurst & Horton L.L.P., Houston, Texas.
Financial Advisor...	Masterson Advisors LLC, Houston, Texas. See “MANAGEMENT OF THE DISTRICT” and “PREPARATION OF OFFICIAL STATEMENT.”
Paying Agent/Registrar...	The Bank of New York Mellon Trust Company, N.A. in 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 Certified Taxable Assessed Valuation	$936,869,327	(a)
Estimated Taxable Assessed Valuation as of September 15, 2021	$1,007,594,439	(b)
Gross Direct Debt Outstanding	$123,430,000	(c)
Estimated Overlapping Debt	39,265,894	(d)
Gross Direct Debt and Estimated Overlapping Debt	$162,695,894	
Ratios of Gross Direct Debt to:		
2021 Certified Taxable Assessed Valuation	13.17%	
Estimated Taxable Assessed Valuation as of September 15, 2021	12.25%	
Ratios of Gross Direct Debt and Estimated Overlapping Debt to:		
2021 Certified Taxable Assessed Valuation	17.37%	
Estimated Taxable Assessed Valuation as of September 15, 2021	16.15%	
Funds Available for Debt Service as of November 18, 2021:		
Water, Wastewater and Drainage Debt Service	$1,470,535	(e)
Capitalized Interest from Road Bond Proceeds (12 Months)	183,431	(f)
Road Debt Service	1,195,235	(e)
Total Funds Available for Debt Service	$2,849,201	(e)
Available General Operating Funds as of November 18, 2021	$9,239,277	(g)
Available Water, Wastewater and Drainage Capital Projects Funds as of November 18, 2021	$ 613,056	
Available Road Capital Projects Funds as of November 18, 2021	$ 449,586	(h)
2021 Debt Service Tax Rate	$0.90	
2021 Maintenance Tax Rate	0.37	
2021 Total Tax Rate	$1.27	
Average Annual Debt Service Requirement (2022-2046)	$6,533,127	(i)
Maximum Annual Debt Service Requirement (2023)	$8,750,488	(i)
Tax Rates Required to Pay Average Annual Debt Service (2022-2046) at a 95% Collection Rate		
Based upon 2021 Certified Taxable Assessed Valuation	$0.74	(i)
Based upon Estimated Taxable Assessed Valuation as of September 15, 2021	$0.69	(i)
Tax Rates Required to Pay Maximum Annual Debt Service (2023) at a 95% Collection Rate		
Based upon 2021 Certified Taxable Assessed Valuation	$0.99	(i)
Based upon Estimated Taxable Assessed Valuation as of September 15, 2021	$0.92	(i)
Status of Development as of November 18, 2021 (j):		
Total Completed Homes (2,050 Occupied)	2,058	
Homes Under Construction or in a Builder's Name	149	
Vacant Developed Lots Available for Home Construction	9	
Commercial	(j)	
Estimated Population	7,175	(k)

(a) As certified by the Fort Bend Central Appraisal District (the "Appraisal District"). See "TAXING PROCEDURES."

(b) Provided by the Appraisal District for information purposes only. Such amount reflects increases in value occurring between January 1, 2021 and September 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 for purposes of taxation on January 1, 2022. See "TAXING PROCEDURES."

(c) After issuance of the Bonds. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Outstanding Bonds."

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

(e) Although all of the District's debt, including the Outstanding Bonds and the Bonds, is payable from an unlimited tax pledge on an equal basis, a pro rata portion of the District's ad valorem tax revenue will be allocated to bonds sold for water, wastewater and drainage facilities ("Water, Wastewater and Drainage Bonds"), and a pro rata portion will be allocated to bonds sold for road facilities ("Road Bonds"), including the Bonds. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Debt Service Requirements."

(f) The District will capitalize twelve (12) months of capitalized interest from the Bond proceeds.

(g) Includes approximately $600,000 in funds that are earmarked for payment to Fort Bend County for projects and expenditures related to road maintenance.

(h) The District intends to apply all road construction funds towards the Bonds.

(i) See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Debt Service Requirements" and "TAX DATA—Tax Adequacy for Debt Service."

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

(k) Based upon 3.5 persons per occupied single-family residence.

OFFICIAL STATEMENT

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 134B

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

$8,285,000
UNLIMITED TAX ROAD BONDS
SERIES 2022

This OFFICIAL STATEMENT provides certain information in connection with the issuance by Fort Bend County Municipal Utility District No. 134B (the "District") of its $8,285,000 Unlimited Tax Road Bonds, Series 2022 (the "Bonds").

The District was created by an Order Dividing Fort Bend County Municipal Utility District No. 134 and Redefining Boundaries dated August 10, 2007 (the "Order Dividing"), pursuant to Chapter 1342, Acts of the 77th Legislature, Regular Session, 2001, as amended by Senate Bill 1872, 79th Legislature, Regular Session, 2005, and Senate Bill 1823, 83rd Session, 2013 (collectively the "Act"). The Bonds are issued pursuant to Article III, Section 52 of the Texas Constitution, the Act, Chapters 49 and 54 of the Texas Water Code, as amended, the general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas, and an order authorizing the issuance of the Bonds (the "Bond Order") adopted by the Board of Directors of the District (the "Board").

This OFFICIAL STATEMENT includes descriptions, among others, of the Bonds and certain other information about AIRIA Development Company ("AIRIA" or the "Developer"), Aliana Development Company ("ADC"), NewQuest Properties, a Texas company, doing business within the District as A-S 144 Grand Parkway W Airport LLP ("NewQuest") and development activity in the District. 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 Coats Rose, P.C. ("Bond Counsel"), 9 Greenway Plaza, Suite 1000, Houston, Texas 77046 upon payment of the costs of duplication therefore.

THE BONDS

General

The following is a description of the terms and conditions of the Bonds, which description is qualified in its entirety by reference to the Bond Order of the Board authorizing the issuance and sale of the Bonds. The Bond Order authorizes the issuance and sale of the Bonds and prescribes the terms, conditions, and provisions for the payment of the principal of and interest on the Bonds by the District.

The Bonds will be dated as of January 1, 2022 and accrue interest from the Date of Delivery, with interest payable on each March 1 and September 1, commencing September 1, 2022, until the earlier of maturity or prior redemption. The Bonds mature on March 1 in the principal amounts and years and accrue interest at the rates shown on the cover page of this OFFICIAL STATEMENT. Interest calculations are based on a 360-day year comprised of twelve 30-day months.

Authority for Issuance

At a bond election held within the District on May 10, 2008, the voters of the District authorized the issuance of a total of $125,000,000 principal amount of unlimited tax bonds for the purpose of financing road improvements and facilities to the land within its boundaries. The Bonds are issued pursuant to such authorization.

The Bonds are issued by the District pursuant to the terms and provisions of the Bond Order, Article III, Section 52 of the Texas Constitution, the Act, Chapters 49 and 54 of the Texas Water Code, as amended and the general laws of the State of Texas relating to the issuance of the 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 safety of the Bonds as an investment or upon the adequacy of the information contained in this OFFICIAL STATEMENT.

Source of and Security for Payment

While the Bonds or any part of the principal thereof or interest thereon remain outstanding and unpaid, the District covenants in the Bond Order to levy a continuing direct annual ad valorem tax, without legal limit as to rate or amount, upon all taxable property in the District sufficient to pay the principal of and interest on the Bonds, with full allowance being made for delinquencies and costs of collection.

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.

Record Date

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

Funds

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

The District also maintains a Water, Wastewater and Drainage Debt Service Fund for bonds sold for water, wastewater and drainage facilities (the "Water, Wastewater and Drainage Bonds") that is not pledged to bonds sold for road facilities ("Road Bonds"), including the Bonds. Funds in the Water, Wastewater and Drainage Debt Service Fund are not available to pay principal and interest on the Outstanding Road Bonds, including the Bonds, and funds in the Road Debt Service Fund are not available to pay principal and interest on the Outstanding Water, Wastewater and Drainage Bonds.

Twelve (12) months of capitalized interest on the Bonds shall be deposited into the Road Debt Service Fund upon receipt. The remaining proceeds from sale of the Bonds, including interest earnings thereon, shall be deposited into the Road Capital Projects Fund, to pay the costs of acquiring or constructing road improvements and facilities and for paying the costs of issuing the Bonds. See "USE AND DISTRIBUTION OF BOND PROCEEDS" for a more complete description of the use of Bond proceeds.

No Arbitrage

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

Redemption Provisions

Mandatory Redemption: The Bonds maturing on March 1 in each of the years 2042, 2044 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, on March 1 in each of the years and in the principal amounts set forth in the following schedule (with each such scheduled principal amount reduced by the principal amount as may have been previously redeemed through the exercise of the District's reserved right of optional redemption, as provided under "Optional Redemption" below):

$690,000 Term Bonds Due March 1, 2042		$690,000 Term Bonds Due March 1, 2044		$690,000 Term Bonds Due March 1, 2046	
Mandatory Redemption Date	Principal Amount	Mandatory Redemption Date	Principal Amount	Mandatory Redemption Date	Principal Amount
2041	$ 345,000	2043	$ 345,000	2045	$ 345,000
2042 (maturity)	345,000	2044 (maturity)	345,000	2046 (maturity)	345,000

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

Optional Redemption: The District reserves the right, at its option, to redeem the Bonds maturing on or after March 1, 2028, prior to their scheduled maturities, in whole or from time to time in part, in integral multiples of $5,000, on March 1, 2027, or on any date thereafter, at a price of par plus accrued interest on the principal amounts called for redemption to the date fixed for redemption. If fewer than all of the Bonds are redeemed at any time, the particular maturities of Bonds to be redeemed shall be selected by the District. If less than all the Bonds of any maturity are redeemed at any time, the particular Bonds within a maturity to be redeemed shall be selected by the Paying Agent/Registrar by lot or other customary method of selection (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form).

Notice of any redemption identifying the Bonds to be redeemed in whole or in part shall be given by the Paying Agent/Registrar at least thirty (30) days prior to the date fixed for redemption by sending written notice by first class mail to the Registered Owner of each Bond to be redeemed in whole or in part at the address shown on the register. Such notices shall state the redemption date, the redemption price, the place at which the Bonds are to be surrendered for payment and, if fewer than all the Bonds outstanding within any one maturity 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 that would otherwise accrue after the redemption date on any Bond or portion thereof called for redemption shall terminate on the date fixed for redemption.

Registration and Transfer

So long as any Bonds remain outstanding, the Paying Agent/Registrar shall keep the register at its principal payment office in Dallas, Texas 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 Order. While the Bonds are in the Book-Entry-Only system, the Bonds will be registered in the name of Cede & Co. and will not be transferred. See "BOOK-ENTRY-ONLY SYSTEM."

Method of Payment of Principal and Interest

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

Replacement of Paying Agent/Registrar

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

Issuance of Additional Debt

The District may issue additional bonds necessary to provide and maintain improvements and facilities consistent with the purposes for which the District was created. After issuance of the Bonds, the District will have $53,775,000 principal amount of unlimited tax road bonds for the purposes of financing road improvements and facilities authorized but unissued, $122,675,000 principal amount of unlimited tax bonds for the purposes of financing water, wastewater and drainage facilities authorized but unissued, and $47,000,000 principal amount of unlimited tax bonds for the purposes of financing park and recreational facilities authorized but unissued. The District will also have authorized but unissued refunding bonds in an amount not in excess of one and one-half times the amount of bonds or other evidences of indebtedness previously issued by the District for water, wastewater, and drainage facilities and refunding bonds in an amount not in excess of one and one-half times the amount of bonds or other evidences of indebtedness previously issued by the District for road improvements and facilities. If the District does issue park bonds, the outstanding principal amount of such bonds may not exceed an amount equal to one percent (1%) of the value of the taxable property in the District; however, the outstanding principal amount of such bonds may exceed one percent (1%) but not three percent (3%) of the value of the taxable property in the District if the District has (i) a ratio of debt to certified assessed valuation of ten percent (10%) or less; (ii) a credit rating that conforms to the Texas Commission on Environmental Quality (the "TCEQ") rules; (iii) a credit enhanced rating on the District's bond issue that conforms to the TCEQ rules; or (iv) a contract with a political subdivision or an entity acting on behalf of a political subdivision under which the subdivision or the entity agrees to provide to the District taxes or other revenues, as consideration for the District's development or acquisition of the facility, including a contract under Section 49.108. The Bond Order imposes no limitation on the amount of additional parity bonds which may be authorized for issuance by the District's voters or the amount ultimately issued by the District. See "INVESTMENT CONSIDERATIONS—Future Debt."

After approval by the District's voters, the City of Houston and the TCEQ, the District also has the power to issue unlimited tax bonds for the purpose of providing fire-fighting facilities. The District has not considered calling an election to authorize bonds for fire-fighting facilities at this time.

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 of Houston cannot annex territory within the District unless it annexes the entire District; however, the City of Houston may not annex the District unless (i) such annexation has been approved by a majority of those voting in an election held for that purpose within the area to be annexed, and (ii) if the registered voters in the area to be annexed do not own more than 50 percent of the land in the area, a petition has been signed by more than 50 percent of the landowners consenting to the annexation. Notwithstanding the preceding sentence, the described election and petition process does not apply during the term of a strategic partnership agreement between the City of Houston and the District specifying the procedures for full purpose annexation of all or a portion of the District. The District has not entered into a strategic partnership agreement with the City of Houston. See "Strategic Partnership Agreement."

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 is authorized to enter into a strategic partnership agreement with the City of Houston to provide the terms and conditions under which the services would be provided and funded by the parties and under which the District would continue to exist for an extended period if the land within the District were annexed for full or limited purposes by the City of Houston. The terms of any such agreement would be determined by the City of Houston and the District. Although the City of Houston has negotiated and entered into such an agreement with other districts in its extraterritorial jurisdiction, none is currently contemplated with respect to the District, although no representation can be made regarding the future likelihood of an agreement or the terms thereof.

Consolidation

A district (such as the District) has the legal authority to consolidate with other districts and, in connection therewith, to provide for the consolidation of its assets, such as cash and the utility system, with the water and wastewater systems of districts with which it is consolidating as well as its liabilities (which would include the Bonds). No representation is made concerning the likelihood of consolidation, but the District currently is not contemplating consolidation.

Remedies in Event of Default

If the District defaults in the payment of principal, interest, or the redemption price on the Bonds when due, or if it fails to make payments into any fund or funds created in the Bond Order, or defaults in the observance or performance of any other covenants, conditions, or obligations set forth in the Bond Order, 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 Order. Except for mandamus, the Bond Order 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 Order 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 to Registered Owners' Rights."

Legal Investment and Eligibility to Secure Public Funds in Texas

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

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

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

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

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

Defeasance

The Bond Order 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 obligations of the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the District adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the District adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and which mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment and/or redemption of the Bonds.

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

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

BOOK-ENTRY-ONLY SYSTEM

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Direct Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation 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 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 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a rating of "AA+" from 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).

Payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or 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 to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

USE AND DISTRIBUTION OF BOND PROCEEDS

The construction costs below were compiled by LJA Engineering, Inc., the District's Engineer (the "Engineer"). Nonconstruction costs are based upon either contract amounts or estimates of various costs by 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 agreed-upon procedures are completed by an independent accountant. The surplus funds, if any, may be expended for any lawful purpose for which surplus construction funds may be used.

CONSTRUCTION COSTS		
Road Improvements to serve:		
Aliana, Section 61	$	257,621
Aliana, Section 63		123,951
Aliana, Section 68		603,259
Aliana, Section 70		288,810
Fairbairn Way, Phase 2		167,981
West Aliana Trace, Phase 2		312,791
Engineering, Geotechnical, CPS and Materials		502,722
Land Costs		4,895,963
Less: Surplus Road Construction Funds		(449,593)
Total Construction Costs	**$**	**6,703,504**
NON-CONSTRUCTION COSTS		
Underwriter's Discount (a)	$	143,402
Capitalized Interest (12 Months)		183,431
Developer Interest (Estimated)		776,746
Total Non-Construction Costs	**$**	**1,103,579**
ISSUANCE COSTS AND FEES		
Issuance Costs and Professional Fees	$	382,928
Engineering Report		20,000
State Regulatory Fees		8,285
Contingency (a)		66,704
Total Issuance Costs and Fees	**$**	**477,917**
TOTAL BOND ISSUE REQUIREMENT	**$**	**8,285,000**

(a) Contingency represents the difference in the estimated and actual amount of Underwriter's discount and capitalized interest and may be used for any eligible construction cost.

ALIANA

General

Aliana is an approximately 2,000 acre master-planned community located 28 miles southwest of downtown Houston, Texas. Aliana is generally bounded by Texas State Highway 99 (Grand Parkway) on the west, West Bellfort on the north, Owens Road on the South and Farm-to-Market 1464 on the east; and is bisected by West Airport Boulevard. Aliana is served by three (3) municipal utility districts: Fort Bend County Municipal Utility District No. 134A ("MUD 134A" or the "Master District"), the District and Fort Bend County Municipal Utility District No. 134C ("MUD 134C") (collectively, the "Aliana Districts"). Each of the Aliana Districts has the authority to provide water, wastewater, drainage and recreation facilities as well as the roads within its boundaries. MUD 134A also acts as the "Master District" and has additional powers related to providing regional water and wastewater service to the Aliana Districts. To date, the majority of the residential development that has occurred within Aliana is within the District and MUD 134C.

A portion of Aliana (approximately 334 acres, including approximately 181 acres in the District) is included within the boundaries of the Aliana Management District (the "Management District"), which has the authority to levy a sales tax not to exceed $0.02 per $1.00 of sales on retail sales occurring within its boundaries. The Management District is a municipal management district created by Chapter 3865, Texas Special District Local Laws Code. It is anticipated that the Management District will provide supplementary facilities and services to the commercial development within Aliana with the proceeds of the sales tax, assessments on the benefitted property or a supplementary ad valorem tax. The Management District also has the powers provided under Chapter 380, Texas Local Government Code to encourage economic development. See "THE DISTRICT—Status of Development—Commercial."

THE DISTRICT

General

The District is a limited-purpose political subdivision of the State of Texas operating as a municipal utility district pursuant to Article XVI, Section 59 of the Texas Constitution. The District was created by the Order Dividing, pursuant to the Act. The District is vested with all the rights, privileges, authority and functions conferred by the laws of the State of Texas applicable to municipal utility districts, including without limitation those conferred by Article XVI Section 59 and Article III, Section 52 of the Texas Constitution, the Act, and Chapters 49 and 54 of the Texas Water Code, as amended. The District is empowered to purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the supply of water; the collection, transportation and treatment of wastewater; the control and diversion of storm water; the provision of parks and recreational facilities, and the construction of roads, among other things. The District may also provide solid waste collection and disposal service and purchase and operate park and recreational facilities. The District may operate and maintain a fire department, independently or with one or more other conservation and reclamation districts, if approved by the voters and the TCEQ. The District is subject to the continuing supervision of the TCEQ.

The District is required to observe certain requirements of the City of Houston which limit the purposes for which the District may sell bonds to the acquisition, construction, and improvement of waterworks, wastewater, drainage, recreational, road and firefighting facilities and the refunding of outstanding debt obligations; limit the net effective interest rate on such bonds and other terms of such bonds; require approval by the City of Houston of District construction plans; and permit connections only to lots and reserves described in plats which have been approved by the City of Houston and filed in the real property records of Fort Bend County, Texas. The District is also required to obtain TCEQ approvals prior to acquiring, constructing and financing water, wastewater, drainage, recreation and fire-fighting facilities. See "WATER, WASTEWATER AND DRAINAGE—Regulation."

Description and Location

The District consists currently of approximately 1,123 acres of land. The District is located in Fort Bend County, entirely in the extraterritorial jurisdiction of the City of Houston. The District is located approximately 28 miles southwest of the central downtown business district of the City of Houston. The District is generally bounded by Texas State Highway 99 (Grand Parkway) on the west, West Bellfort on the north, Owens Road on the South and Farm-to-Market 1464 on the east. See "AERIAL LOCATION MAP" herein.

Land Use

The following table has been provided by the Engineer and represents the current land use within the District.

Single-Family Residential	Approximate Acres	Lots
Aliana, Section One	7	15
Aliana, Section Thirty	8	21
Aliana, Section Thirty-Four	13	25
Aliana, Section Thirty-Five	19	45
Aliana, Section Thirty-Six	24	53
Aliana, Section Thirty-Seven	15	40
Aliana, Section Thirty-Eight	16	47
Aliana, Section Forty	14	39
Aliana, Section Forty-One	12	32
Aliana, Section Forty-Two	10	45
Aliana, Section Forty-Three	19	54
Aliana, Section Forty-Four	25	69
Aliana, Section Forty-Five	28	95
Aliana, Section Forty-Seven	24	104
Aliana, Section Forty-Eight	13	37
Aliana, Section Forty-Nine	10	34
Aliana, Section Fifty	18	76
Aliana, Section Fifty-One	52	30
Aliana, Section Fifty-Two	16	42
Aliana, Section Fifty-Three	50	57
Aliana, Section Fifty-Four	22	74
Aliana, Section Fifty-Five	12	46
Aliana, Section Fifty-Six	19	82
Aliana, Section Fifty-Seven	34	120
Aliana, Section Fifty-Eight	24	114
Aliana, Section Fifty-Nine	23	77
Aliana, Section Sixty	18	52
Aliana, Section Sixty-One	7	20
Aliana, Section Sixty-Two	10	19
Aliana, Section Sixty-Three	20	58
Aliana, Section Sixty-Four	19	66
Aliana, Section Sixty-Five	31	92
Aliana, Section Sixty-Six	17	74
Aliana, Section Sixty-Seven	38	85
Aliana, Section Sixty-Eight	19	58
Aliana, Section Sixty-Nine	13	44
Aliana, Section Seventy	10	31
Aliana, Section Seventy-One	22	92
Aliana, Section Seventy-Two	14	47
Aliana, Section Seventy-Three	3	5
Subtotal	768	2,216
Commercial Development	136	
School Site	18	---
Undevelopable (a)	201	---
District Total	1,123	2,216

(a) Consists of street easements, rights-of-way, drainage detention, parks and recreation space and utility sites.

Status of Development

Single Family Residential: The development in the District currently includes 2,216 single-family residential lots on approximately 768 acres. As of October 15, 2021, the District consisted of 2,058 completed homes (2,050 occupied homes), 149 homes under construction or in a builder's name, and 9 vacant developed lots available for home construction. Homes within the District range in price from approximately $300,000 to over $1,000,000. The estimated population within the District is 7,175 based upon 3.5 persons per occupied single-family residence.

Homebuilders active within the District include: Ashton Woods Homes, Highland Homes, J. Patrick Homes, Lennar Homes, Meritage Homes, MHI Partnership, Partners in Building, Perry Homes, Sitterle Homes, and Village Builders. Pursuant to lot sales agreements with the homebuilders in the District, each builder that is required to make an earnest money deposit is subject to lot takedown requirements of generally five lots per quarter. Each builder is also required to build models and/or speculative homes. According to the Developer, each of the homebuilders is in substantial compliance with all of the terms of its respective lot sales contract.

Tax Exempt: An elementary school, which is exempt from ad valorem taxation, has been constructed on approximately 18 acres within the District and opened in 2020.

Commercial Development: Approximately 136 acres of commercial reserves have been provided with utilities. Operational retail development located within the District includes a retail shopping center on approximately 1 acre site including the Roulou Salon, Soi Brow and Threading, Best in Class Tutor Center, Epic Smiles, and a Symphony Cakes and Ice Cream. The Shops at Aliana (owned by Hunington Properties) is an 8 acre shopping center which includes a Jiffy Lube, BLVD Dental, Supercuts, Eye Level Learning Center, Center Court Pizza, AFC Urgent Care, Neighborhood Pet Hospital, Pasha Dry Cleaner, Frame and Focus Eye Care on approximately 4 acres with an additional 4 acres still to be developed. Deiso Moss has developed an 28,350 square foot retail center on approximately 4-acre tract which includes Einstein's Arcade, Elara Dentistry, Idea Lab, MLK Box Tea House, Blast Swim, F45 Fitness, Sapphire Family Dentistry, and Sherwin Williams. OML Capital has developed an approximately 3.5 acre tract which includes a Cloud Hookah Lounge, State Farm office, Spades Liquor, Indian Grocer and Kuoros Martial Arts. NewQuest is developing the Grand at Aliana, which includes approximately 31 acres within the District, including a Timewise Gas Station on approximately 2.5 acres, an Express Oil Change on approximately 1 acre, a McDonald's on approximately 1 acre, a Baylor St. Luke's Healthcare Center on approximately 7 acres and an approximately 2.7 acre retail center that includes First Watch, AT&T, Chicken Kitchen, a dental office and a C2 Education Center. Vertical improvement development of pad sites on the remaining acreage owned by NewQuest (approximately 15 acres) is ongoing.

Future Development

All developable acres of land within the District have been fully served with water, wastewater, and drainage facilities, park and recreational facilities, and roads necessary for the construction of taxable improvements. The District anticipates issuing additional bonds to fund water, wastewater, drainage, road and park and recreational facilities within the District necessary to reimburse the Developer and other landowners. The Engineer has stated that under current development plans, the remaining authorized but unissued bonds ($223,450,000) should be sufficient to finance the construction of water, wastewater, and drainage facilities, park and recreational facilities, and roads for the District. See "INVESTMENT CONSIDERATIONS—Future Debt," "WATER, WASTEWATER AND DRAINAGE," and "ROAD SYSTEM."

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 staggered four-year terms and elections are held on the first Saturday of May of odd numbered years. All of the Board members own land within the District subject to a note and deed of trust in favor of the Developer. The current members and officers of the Board along with their titles and terms are listed as follows:

Name	District Board Title	Term Expires
Jacob R. Hart	President	May 2023
Peter Van Liew	Vice President	May 2023
Matthew Shepard	Secretary	May 2023
Gary P. Williams	Assistant Secretary	May 2025
Scott E. Jaehne	Assistant Secretary	May 2025

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 and General Counsel: Coats Rose, P.C. serves as Bond Counsel to the District. The fee to be paid Bond Counsel for services rendered in connection with the issuance of the Bonds is contingent upon the sale and delivery of the Bonds. In addition, Coats Rose, P.C. serves as general counsel to the District on matters other than the issuance of bonds.

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

Auditor: The financial statements of the District as of May 31, 2021, and for the year then ended, included in this offering document, have been audited by BKD, LLP, independent auditors, as stated in their report appearing herein. See "APPENDIX A."

Engineer: The District's consulting engineer is LJA Engineering, Inc.

Tax Appraisal and Collections: The Fort Bend Central Appraisal District has the responsibility of appraising all property within the District. Taxes are collected by the Fort Bend County Tax Collector. See "TAXING PROCEDURES."

Bookkeeper: The District has contracted with L&S District Services, LLC (the "Bookkeeper") for bookkeeping services.

Operator: The operation and maintenance of the District's water and wastewater systems are overseen by Inframark Infrastructure Management Services (the "Operator").

Disclosure Counsel: McCall, Parkhurst & Horton L.L.P. serves as Disclosure Counsel to the District in connection with the issuance of the Bonds.

THE DEVELOPER AND PRINCIPAL LANDOWNERS

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 being financed with bond proceeds, 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.

AIRIA Development Company

The developer of Aliana is AIRIA Development Company, a Texas corporation ("AIRIA" or the "Developer"). AIRIA provides development services on behalf of Aliana Development Company, a Texas corporation ("ADC") for the Aliana development. The land within the Aliana project boundaries was initially owned by BAM Houston Real Estate Investment, a Texas limited partnership ("BREI"). To date, ADC has purchased approximately 2,000 acres of land, which encompasses the entirety of the Aliana project. BREI is a separate and distinct entity which functions solely as a land holding company. AIRIA provides land management services on behalf of BREI for Aliana. The controlling interests in AIRIA, ADC and BREI are primarily lineal descendants (or their trusts) of Lester Benny Binion and Phyllis Cope. The President of AIRIA and ADC is E. Travis Stone, Jr.

NewQuest Properties

NewQuest Properties, a Texas company, doing business within the District as A-S 144 Grand Parkway W Airport LP, a Texas limited partnership, ("NewQuest") owns approximately 31 acres within the District marketed as the commercial development The Grand at Aliana. To date approximately 15 acres have vertical improvements constructed.

Neither the Developer, nor any affiliates of the Developer, nor any other property owners within the District are responsible for, liable for, or have made any commitment for payment of the Bonds or other obligations of the District. Neither the Developer, nor any affiliates of the Developer or other property owners within the District have any legal commitment to the District or the owners of the Bonds to continue development of the land within the District, and the Developer or other property owners may sell or otherwise dispose of property within the District, or any assets, at any time. Further, the financial condition of the Developer is subject to change.

WATER, WASTEWATER AND DRAINAGE

Water Supply

The North Fort Bend Water Authority (the "Authority") has constructed a water conveyance line running through the District. At this time, the Master District's primary source of water supply is surface water provided by the Authority. The existing water well is currently used to augment the supply during high demand periods. See "Subsidence and Conversion to Surface Water Supply" below. The Master District has entered into a "take-or-pay" contract with the Authority dated December 18, 2014, to be the primary source of water supply to the Master District. Under such agreement, the Master District is required to purchase a minimum of 713,000 gallons of water per day from the Authority. The Master District and the Authority review the contract on an annual basis to adjust the minimum volume of water to be purchased.

The District's water supply is augmented by water supplied by the Master District's Water Plant Nos. 1 and 2 ("Water Plant Facilities"), which consists of 2,800 gallon per minute ("gpm") water well capacity, 140,000 gallons of pressure tank capacity, 1,840,000 gallons of ground storage tank capacity and 15,000 gpm of booster pump capacity. The Master District can serve 5,245 equivalent single-family connections ("ESFCs") based on current facilities. As of November 18, 2021, the Master District was serving approximately 4,518 active connections, of which includes 2,058 active residential connections, 19 active commercial connections and 149 homes under construction or in a builder's name in the District. The Master District has entered into an Emergency Interconnect Agreement with Kingsbridge MUD and Fort Bend County Fresh Water Supply District No. 2.

Wastewater Treatment

The District's wastewater is treated by the Master District's Wastewater Treatment Plant No. 1 ("WWTP No. 1"), which has a capacity of 600,000 gallons per day and Wastewater Treatment Plant No. 2 ("WWTP No. 2"), which has a capacity of 720,000 gallons per day. As of November 18, 2021, the Master District was serving approximately 4,311 active connections, of which 2,058 active residential connections, 19 active commercial connections and 149 homes under construction or in a builder's name in the District. Currently, the Master District is utilizing approximately 795,000 gallons per day on average of wastewater treatment capacity.

Water Distribution, Wastewater, Collection and Storm Drainage

Water distribution, wastewater collection and storm drainage facilities have been constructed to serve 2,216 single family residential lots, approximately 136 acres of commercial tracts, and an 18-acre school site. See "THE DISTRICT—Land Use."

Drainage

The drainage system within the District is based on curb and gutter streets with inlets that pick up the internal runoff from the developed subdivisions and parcels. These storm drainage systems in turn ultimately discharge into a string of interconnected excavated detention basins within the District. The District's drainage basins are sized to maintain predevelopment runoff conditions, as required by the Fort Bend County Drainage District, to prevent changes to the downstream conditions resulting from development. The District's drainage is contained within Oyster Creek watershed. The Oyster Creek watershed is located to the south of West Belfort Street and to the west of new Farm-to-Market 1464. The drainage runs from the north and east to the west and southwest by way of the internal detention/amenity lakes and ultimately discharges into Oyster Creek.

Flood Protection

"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 rainstorm 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.

The District is located within the Upper Oyster Creek watershed. A portion of the District is within the 100-year floodplain or floodway. The District filed a Letter of Map Revision ("LOMR") in September 2016 to remove 166 acres within the District from the 100-year floodplain. The Letter of Final Determination for the LOMR was issued on July 11, 2017. The effective date of the LOMR was November 24, 2017. The District filed a Letter of Map Revision-Fill (LOMR-F) application to remove an additional 81 acres from the floodplain. The application was approved and became effective on October 22, 2019. The District has filed another LOMR-F application to remove the remaining 8 acres of developable land from the floodplain. The Letter of Final Determination was issued on June 17, 2020 and became effective on October 30, 2020. See "INVESTMENT CONSIDERATIONS—Extreme Weather Events; Hurricane Harvey."

Master District

As of November 14, 2007, the District entered in a regional contract (the "Contract") with MUD 134A. Under the terms of the Contract, MUD 134A serves as the "Master District" and provides or causes to be provided the regional water supply and delivery facilities, the regional waste collection, treatment and disposal facilities, and the regional drainage and detention facilities to serve the Aliana Districts. Under the terms of the Contract, the Master District charges the participants a monthly operational fee based on connections. The Master District also assesses a master district connection fee to the District to pay for its pro-rata share of regional capital projects. The Master District connection fee is $11,803 per connection. With proceeds from prior bond issues, the District has purchased a total of 2,215 ESFC for capacity in the Master District system.

Subsidence and Conversion to Surface Water Supply

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

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 the Master District for groundwater pumped by the Master District), user fees, rates, charges and special assessments as necessary to accomplish its purposes; and (iii) mandate water users, including the District, to convert from groundwater to surface water. The Authority currently charges the Master District, and other major groundwater users, a fee per 1,000 gallons based on the amount of groundwater pumped by the Master District and a rate per 1,000 gallons based on the amount of surface water purchased 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 penalty, currently $6.50 per 1,000 gallons ("Disincentive Fees") imposed by the Subsidence District for any groundwater withdrawn in excess of 40% of the total annual water demand in the Authority's GRP. In the event of such Authority failure to comply, the Subsidence District may also seek to collect Disincentive Fees from the Master District. If the Master District failed to comply with surface water conversion requirements mandated by the Authority, the Authority would likely impose monetary or other penalties against the Master District.

Regulation

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

Waterworks and Sewer System Operating Statement

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 wastewater operations are not pledged to the payment of the Bonds but are available for any lawful purpose including payment of debt service on the Bonds, at the discretion and upon action of the Board. It is not anticipated that any significant revenues will be available for the payment of debt service on the Bonds. The following statement sets forth in condensed form the historical results of operation of the District's General Fund as derived from the District's audited financial statements for the fiscal years ended May 31, 2017 through 2021. Accounting principles customarily employed in the determination of net revenues have been observed and in all instances exclude depreciation. Reference is made to "APPENDIX A" for further and complete information.

	Fiscal Year Ended May 31				
	2021	2020	2019	2018	2017
Revenues:					
Property Taxes	$ 3,092,741	$ 2,616,982	$ 1,749,046	$ 1,144,026	$ 565,861
Water Service	684,406	601,373	425,616	389,785	272,341
Sewer Service	1,116,460	938,016	705,315	473,770	235,945
Surface Water Conversion	1,630,137	1,297,751	735,649	645,970	331,581
Tap Connection and Inspection Fees	946,485	960,694	1,076,663	674,306	738,317
Penalty and Interest	7,145	14,987	19,387	10,342	7,034
Other Income	46,427	25,494	37,233	1,485	2,249
Interest on Temp Investments	26,862	97,617	57,986	11,588	3,870
Total Revenues	$ 7,550,663	$ 6,552,914	$ 4,806,895	$ 3,351,272	$ 2,157,198
Expenditures:					
Professional Fees	$ 114,014	$ 156,333	$ 131,926	$ 131,435	$ 135,963
Purchased or Contracted Services	3,228,344	2,513,435	1,552,671	968,813	545,079
Utilities	3,724	3,355	4,260	13,589	15,556
Tap Connections	389,853	411,938	375,468	271,441	339,242
Repairs and Maintenance	445,413	457,645	415,409	260,999	264,980
Debt Issuance Costs	6,933	-	36,172	40,822	-
Miscellaneous	45,256	34,417	47,261	24,196	17,463
Capital Outlay	277,185	1,049,382 (a)	239,008	-	-
Total Expenditures	$ 4,510,722	$ 4,626,505	$ 2,802,175	$ 1,711,295	$ 1,318,283
NET REVENUES	$ 3,039,941	$ 1,926,409	$ 2,004,720	$ 1,639,977	$ 838,915
Other Financing Sources (Uses)	$ -	$ 36,172	$ 40,822	$ -	$ (3,375)
General Operating Fund Balance (Beginning of Year)	$ 6,999,006	$ 5,036,425	$ 2,990,883	$ 1,350,906	$ 515,366
General Operating Fund Balance (End of Year)	$ 10,038,947	$ 6,999,006	$ 5,036,425	$ 2,990,883	$ 1,350,906

(a) Represents expenditures related to road repairs and improvements.

ROAD SYSTEM

The road system (the "Roads") serves the residents of the District by providing access to major thoroughfares and collectors within Aliana and the surrounding area. The internal subdivision streets provide access to several collectors including West Aliana Trace, Abermore Lane, Brannock Avenue and Westmoor Drive. These internal streets and collectors convey the residents of the District to the major thoroughfares of West Airport Boulevard and West Bellfort and ultimately to State Highway 99 (Grand Parkway) and Farm-to-Market 1464. All Roads are either maintained or will be maintained after final acceptance by Fort Bend County. See "USE AND DISTRIBUTION OF BOND PROCEEDS."

FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)

2021 Certified Taxable Assessed Valuation	$936,869,327	(a)
Estimated Taxable Assessed Valuation as of September 15, 2021	$1,007,594,439	(b)
Gross Direct Debt Outstanding	$123,430,000	(c)
Estimated Overlapping Debt	39,265,894	(d)
Gross Direct Debt and Estimated Overlapping Debt	$162,695,894	
Ratios of Gross Direct Debt to:		
2021 Certified Taxable Assessed Valuation	13.17%	
Estimated Taxable Assessed Valuation as of September 15, 2021	12.25%	
Ratios of Gross Direct Debt and Estimated Overlapping Debt to:		
2021 Certified Taxable Assessed Valuation	17.37%	
Estimated Taxable Assessed Valuation as of September 15, 2021	16.15%	
Funds Available for Debt Service as of November 18, 2021:		
Water, Wastewater and Drainage Debt Service	$1,470,535	(e)
Capitalized Interest from Road Bond Proceeds (12 Months)	183,431	(f)
Road Debt Service	1,195,235	(e)
Total Funds Available for Debt Service	$2,849,201	(e)
Available General Operating Funds as of November 18, 2021	$9,239,277	(g)
Available Water, Wastewater and Drainage Capital Projects Funds as of November 18, 2021	$ 613,056	
Available Road Capital Projects Funds as of November 18, 2021	$ 449,586	(h)

(a) As certified by the Fort Bend Central Appraisal District (the "Appraisal District"). See "TAXING PROCEDURES."
(b) Provided by the Appraisal District for information purposes only. Such amount reflects increases in value occurring between January 1, 2021 and September 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 for tax purposes of taxation on January 1, 2022. See "TAXING PROCEDURES."
(c) After issuance of the Bonds. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Outstanding Bonds."
(d) See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Estimated Overlapping Debt."
(e) Although all of the District's debt, including the Outstanding Bonds and the Bonds, is payable from an unlimited tax pledge on an equal basis, a pro rata portion of the District's ad valorem tax revenue will be allocated to bonds sold for water, wastewater and drainage facilities ("Water, Wastewater and Drainage Bonds"), and a pro rata portion will be allocated to bonds sold for road facilities ("Road Bonds"), including the Bonds. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Debt Service Requirements."
(f) The District will capitalize twelve (12) months of interest from Bond proceeds. See "USE AND DISTRIBUTION OF BOND PROCEEDS."
(g) Includes approximately $600,000 in funds that are earmarked for payment to Fort Bend County for projects and expenditures related to road maintenance.
(h) The District intends to apply all road construction funds towards the Bonds.

Investments of the District

The District has adopted an Investment Policy as required by the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended. 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's investment portfolio.

Debt Service Requirements

The following sets forth the debt service on the Outstanding Bonds and the Bonds. This schedule does not reflect the fact that the District will capitalize twelve (12) months of interest from proceeds of the Bonds. See "USE AND DISTRIBUTION OF BOND PROCEEDS."

Year	Outstanding Bonds Debt Service Requirements	Plus: Debt Service on the Bonds Principal	Interest	Total	Total Debt Service Requirements
2022	$7,760,443.75		$ 112,096.88	$ 112,096.88	$ 7,872,540.63
2023	8,222,306.26	$ 350,000	178,181.25	528,181.25	8,750,487.51
2024	8,078,925.00	345,000	167,756.25	512,756.25	8,591,681.25
2025	7,936,036.26	345,000	157,406.25	502,406.25	8,438,442.51
2026	7,806,023.76	345,000	148,781.25	493,781.25	8,299,805.01
2027	7,688,436.26	345,000	141,881.25	486,881.25	8,175,317.51
2028	7,574,456.26	345,000	136,706.25	481,706.25	8,056,162.51
2029	7,463,308.76	345,000	132,825.00	477,825.00	7,941,133.76
2030	7,344,440.00	345,000	127,218.75	472,218.75	7,816,658.75
2031	7,223,508.76	345,000	120,318.75	465,318.75	7,688,827.51
2032	7,098,202.50	345,000	113,418.75	458,418.75	7,556,621.25
2033	6,977,802.50	345,000	106,518.75	451,518.75	7,429,321.25
2034	6,844,465.00	345,000	99,618.75	444,618.75	7,289,083.75
2035	6,714,090.00	345,000	92,718.75	437,718.75	7,151,808.75
2036	6,581,683.76	345,000	85,603.13	430,603.13	7,012,286.89
2037	6,440,665.00	345,000	78,271.88	423,271.88	6,863,936.88
2038	6,302,346.26	345,000	70,725.00	415,725.00	6,718,071.26
2039	6,153,390.00	345,000	62,962.50	407,962.50	6,561,352.50
2040	6,013,346.26	345,000	54,984.38	399,984.38	6,413,330.64
2041	5,869,971.26	345,000	46,790.63	391,790.63	6,261,761.89
2042	3,073,381.26	345,000	38,596.88	383,596.88	3,456,978.14
2043	3,002,337.50	345,000	30,187.50	375,187.50	3,377,525.00
2044	2,930,931.26	345,000	21,562.50	366,562.50	3,297,493.76
2045	809,162.50	345,000	12,937.50	357,937.50	1,167,100.00
2046	791,137.50	345,000	4,312.50	349,312.50	1,140,450.00
Total	$152,700,797.63	$ 8,285,000	$ 2,342,381.25	$ 10,627,381.25	$163,328,178.88

Average Annual Debt Service Requirements (2022-2046) $6,533,127
Maximum Annual Debt Service Requirement (2023) $8,750,488

Outstanding Bonds

The District has previously issued six series of unlimited tax bonds totaling $62,325,000 principal amount and eight series of unlimited tax road bonds totaling $62,940,000 principal amount, of which $115,145,000 are outstanding as of the date hereof (the "Outstanding Bonds). The following tables lists the original principal amount of the bonds issued by the District and the principal amount of the Outstanding Bonds.

Series		Original Principal Amount	Outstanding Bonds as of 11/1/2021
2015	(a)	$ 4,000,000	$ 3,525,000
2016		5,855,000	5,075,000
2016	(a)	9,440,000	7,540,000
2017		8,080,000	6,720,000
2017	(a)	9,000,000	7,815,000
2018		9,390,000	8,530,000
2018	(a)	10,500,000	9,540,000
2019		13,500,000	12,420,000
2019	(a)	12,000,000	11,500,000
2020	(a)	5,000,000	4,790,000
2020		11,500,000	11,020,000
2020A	(a)	8,000,000	7,670,000
2021	(a)	5,000,000	5,000,000
2021		14,000,000	14,000,000
Total		$ 125,265,000	$ 115,145,000

(a) Unlimited Tax Road 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……………………………………	$ 632,206,234	10/31/2021	1.15%	$ 7,270,372
Fort Bend County Drainage District…………………	25,405,000	10/31/2021	1.15%	292,158
Fort Bend Independent School District…………….	1,402,803,767	10/31/2021	2.26%	31,703,365
Total Estimated Overlapping Debt………………….				$ 39,265,894
The District…………………………………………..	123,430,000 (a)		100.00%	123,430,000
Total Direct and Estimated Overlapping Debt……..				$ 162,695,894

Direct and Estimated Overlapping Debt as a Percentage of:
2021 Certified Taxable Assessed Valuation of $936,869,327 .... 17.37%
Estimated Taxable Assessed Valuation as of September 15, 2021 of $1,007,594,439 .... 16.15%

(a) The Bonds and the Outstanding Bonds.

Overlapping Taxes

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

Set forth below are the taxes levied for the 2021 tax year by all entities overlapping the District and the District. No recognition is given to local assessments for civic association dues, fire department contributions or any other levy of entities other than political subdivisions.

	2021 Tax Rate per $100 of Taxable Assessed Valuation
Fort Bend County (a)………………………	$ 0.4528
Fort Bend Independent School District……	1.2101
Fort Bend County ESD No. 5………………	0.1000
Total Overlapping Tax Rate………………	$ 1.7629
The District (b)……………………………	$ 1.2700
Total Tax Rate……………………………	$ 3.0329

(a) Includes Fort Bend County Drainage District.
(b) See "TAX DATA-Tax Rate Distribution."

TAX DATA

Debt Service Tax

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

Maintenance and Operations 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 the Board, among other things, to levy a maintenance tax at a rate not to exceed $1.50 per $100 appraised valuation. A maintenance tax is in addition to taxes which the District is authorized to levy for paying principal of and interest on the Bonds. See "Debt Service Tax" above.

Tax Exemption

For 2021, the District has granted a $20,000 homestead exemption for individuals disabled and/or 65 years of age or older.

Tax Rate Distribution

	2021		2020	2019	2018	2017
Debt Service	$ 0.900	(a)	$ 0.970	$ 0.980	$ 1.000	$ 0.940
Maintenance and Operations	0.370		0.415	0.470	0.450	0.510
Total	$ 1.270		$ 1.385	$ 1.450	$ 1.450	$ 1.450

(a) The 2021 debt service tax rate is allocated as $0.50 to Road Bond debt service and $0.40 to Water, Wastewater and Drainage Bond debt service.

Historical Tax Collections

The following statement of tax collections sets forth in condensed form the historical tax experience of the District. Such table has been prepared for inclusion herein based upon information obtained from the Tax Assessor/Collector. Reference is made to such statements and records for further and complete information. Information in this summary may differ slightly from the assessed valuations shown herein due to difference in dates of data. See "Tax Roll Information" below.

Tax Year	Certified Taxable Assessed Valuation (a)	Tax Rate	Total Tax Levy (b)	Total Collections as of September 30, 2021 (b) Amount	Percent
2017	$ 201,627,027	$ 1.450	$ 2,943,842	$ 2,943,684	99.99%
2018	363,915,824	1.450	5,280,189	5,280,189	100.00%
2019	547,987,301	1.450	7,953,327	7,953,327	100.00%
2020	748,013,686	1.385	10,361,011	10,328,950	99.69%
2021	936,869,327	1.270	11,898,240	(c)	(c)

(a) As certified by the Appraisal District less any exemptions granted. See "Tax Roll Information" below for gross appraised value, deferments and exemptions granted by the District and the Appraisal District.
(b) Unaudited.
(c) In the process of collections. 2021 taxes are due by January 31, 2022.

Tax Roll Information

The District's appraised 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 Certified Taxable Assessed Valuations and the Estimated Taxable Assessed Valuation as of September 15, 2021.

Tax Year	Type of Property: Land	Improvements	Personal Property	Gross Assessed Valuations	Deferments and Exemptions(a)	Net Assessed Valuations
2018	$ 111,161,039	$ 260,873,546	$ 1,071,910	$ 373,106,495	$ (9,190,671)	$ 363,915,824
2019	161,488,067	411,668,818	1,596,180	574,753,065	(26,765,764)	547,987,301
2020	189,048,571	614,107,363	3,280,090	806,436,024	(58,422,338)	748,013,686
2021	200,581,913	786,487,766	5,074,900	992,144,579	(55,275,252)	936,869,327
9/15/2021 (b)	210,001,263	847,602,278	5,266,150	1,062,869,691	(55,275,252)	1,007,594,439

(a) See "TAXING PROCEDURES."
(b) Provided by the Appraisal District for information purposes only. Such amount reflects increases in value occurring between January 1, 2021 and September 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 for tax purposes of taxation on January 1, 2022. See "TAXING PROCEDURES."

Principal Taxpayers

The following table represents the ten principal taxpayers and their taxable appraised value as a percentage of the 2021 Certified Taxable Assessed Valuation ($936,869,327). This represents certified ownership as of January 1, 2021. A principal taxpayer list of the Estimated Taxable Assessed Valuation as of September 15, 2021, of $1,007,594,439 is not available.

Taxpayer	2021 Certified Taxable Assessed Valuation	% of 2021 Certified Taxable Assessed Valuation
A-S 144 Grand Parkway W Airport LP (a)	$ 27,266,484	2.91%
Aliana Development Company (a)	12,296,363	1.31%
AGD Retirement Homes, LP	5,981,410	0.64%
AAHAR LLC	5,140,700	0.55%
DM Partners I LP	5,138,870	0.55%
AG Aliana Holdings LP	3,792,330	0.40%
Rajit & Neeta Aliana Center LLC	2,777,250	0.30%
R&O Pasadena Properties LLC	2,579,390	0.28%
DML WA Plaza LP	2,558,420	0.27%
West Airport Real Estate Holdings LLC	2,510,900	0.27%
Total	$ 70,042,117	7.48%

(a) See "THE DEVELOPER AND PRINCIPAL LANDOWNERS".

Tax Adequacy for Debt Service

The tax rate calculations set forth below are presented to indicate the tax rates per $100 appraised valuation which would be required to meet average annual and maximum debt service requirements if no growth in the District's tax base occurred beyond the 2021 Certified Taxable Assessed Valuation of $936,869,327 or the Estimated Taxable Assessed Valuation as of September 15, 2021, of $1,007,594,439. The calculations contained in the following table merely represent the tax rates required to pay principal and interest on the Outstanding Bonds and the 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, and the sale of no additional bonds. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Debt Service Requirements."

Average Annual Debt Service Requirement (2022-2046)...$6,533,127
$0.74 Tax Rate on 2021 Certified Taxable Assessed Valuation $6,586,191
$0.69 Tax Rate on Estimated Taxable Assessed Valuation as of September 15, 2021 ....$6,604,782

Maximum Annual Debt Service Requirement (2023)...$8,750,488
$0.99 Tax Rate on 2021 Certified Taxable Assessed Valuation $8,811,256
$0.92 Tax Rate on Estimated Taxable Assessed Valuation as of September 15, 2021 ....$8,806,375

No representation or suggestion is made that the estimated values of land and improvements provided by the Appraisal District as of September 15, 2021, for the District will be certified as taxable value by the Appraisal District, 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 Order to levy such a tax from year to year as described more fully herein under "THE BONDS—Source of and Security for Payment." Under Texas law, the Board may also levy and collect an annual ad valorem tax for the operation and maintenance of the District and for the payment of certain contractual obligations. See "TAX DATA."

Property Tax Code and County-Wide Appraisal District

The Texas Property 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 County 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; travel trailers; and most individually owned automobiles. In addition, the District may by its own action exempt residential homesteads of persons sixty-five (65) years or older and of certain disabled persons to the extent deemed advisable by the Board. The District may be required to offer such an exemption if a majority of voters approve it at an election. The District would be required to call such an election upon petition by twenty percent (20%) of the number of qualified voters who voted in the preceding election. The District is authorized by statute to disregard exemptions for the disabled and elderly if granting the exemption would impair the District's obligation to pay tax supported debt incurred prior to adoption of the exemption by the District.

Furthermore, the District must grant exemptions to disabled veterans or certain surviving dependents of disabled veterans, if requested, of between $5,000 and $12,000 depending on the disability rating of the veteran. A veteran who receives a disability rating of 100% is entitled to an exemption for the full amount of the veteran's residence homestead. Furthermore, qualifying surviving spouses of persons 65 years of age and older are entitled to receive a residence homestead exemption equal to exemption received by the deceased spouse until such surviving spouse remarries. A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran's disability rating if the residence homestead was donated by a charitable organization. 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%) (not less than $5,000) 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 by July 1. The District currently does not grant a 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 or the City of Houston may designate all or part of the area within the District as a reinvestment zone. Thereafter, Fort Bend County, the District, and the City of Houston (if it were to annex the District), under certain circumstances, discretion of each entity, 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 assessed valuation of property covered by the agreement over its assessed valuation in the year in which the agreement is executed, on the condition that the property owner make specified improvements or repairs to the property in conformity with the terms of the tax abatement. 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. Generally, 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. In determining market value, either the replacement cost or the income or the market data method of valuation may be used, whichever is appropriate. Nevertheless, certain land may be appraised at less than market value under the Property Tax Code. Increases in the appraised value of residence homesteads are limited by the Texas Constitution to a cumulative 10 percent annual increase 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 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.

Disaster Exemption

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

District and Taxpayer Remedies

Under certain circumstances taxpayers and taxing units (such as the District) may appeal the orders of the Appraisal Review Board by filing a timely petition for review in State district court. In such event, the value of the property in question will be determined by the court or by a jury if requested by any party. Additionally, taxing units may bring suit against the Appraisal District to compel compliance with the Property Tax Code. The Property Tax Code 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. However, a person who is (i) 65 years of age or older, (ii) disabled or (iii) a disabled veteran, entitled by law to pay current taxes on his residential homestead in installments or to receive a deferral or abatement of delinquent taxes without penalty during the time he owns or occupies his property as his residential homestead. 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. For those taxes billed at a later date and that become delinquent on or after June 1, they will also incur an additional penalty for collection costs of an amount established by the District and a delinquent tax attorney. The delinquent tax accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. 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, 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 equal monthly installments and must extend for a period of at least 12 months and no more than 36 months. The Property Tax Code makes provisions for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes under certain circumstances which, at the option of the District, may be rejected.

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 described for each classification below. Debt service and contract tax rates cannot be reduced by a tax rate election held within any of the districts described below.

Special Taxing Units: Special Taxing Units that adopt a total tax rate that would impose more than1.08 times the amount of the total tax imposed by such district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead, subject to certain homestead exemptions, are required to hold an election within the district to determine whether to approve the adopted total tax rate. If the adopted total tax rate is not approved at the election, the total tax rate for a Special Taxing Unit is the current year's debt service and contract tax rate plus 1.08 times the previous year's operation and maintenance tax rate.

Developed Districts: Developed Districts that adopt a total tax rate that would impose more than1.035 times the amount of the total tax imposed by the district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead, subject to certain homestead exemptions for the preceding tax year, plus any unused increment rates, as calculated and described in Section 26.013 of the Tax Code, are required to hold an election within the district to determine whether to approve the adopted total tax rate. If the adopted total tax rate is not approved at the election, the total tax rate for a Developed District is the current year's debt service and contract tax rate plus 1.035 times the previous year's operation and maintenance tax rate plus any unused increment rates. In addition, if any part of a Developed District lies within an area declared for disaster by the Governor of Texas or President of the United States, alternative procedures and rate limitations may apply for a temporary period. If a district qualifies as both a Special Taxing Unit and a Developed District, the district will be subject to the operation and maintenance tax threshold applicable to Special Taxing Units.

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

The District: A determination as to a district's status as a Special Taxing Unit, Developed District or Developing District will be made by the Board of Directors on an annual basis. For the 2021 tax year, the Board of Directors determined the District to be a Developing District for the purposes of adopting the 2021 tax rate. The District cannot give any assurances as to what its classification will be at any point in time or whether the District's future tax rates will result in a total tax rate that will reclassify the District into a new classification and new election calculation.

District's Rights in the Event of Tax Delinquencies

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

At any time after taxes on property become delinquent, the District may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both subject to the restrictions on residential homesteads described 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 cost of suit and sale, 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 (a taxpayer may redeem property within six (6) months for commercial property and two (2) years for residential and all other types of property after the purchaser's deed issued at the foreclosure sale is filed in the county records) or by bankruptcy proceedings which restrict the collection of taxpayer debts. See "INVESTMENT CONSIDERATIONS—Tax Collection Limitations and Foreclosure Remedies." 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.

INVESTMENT CONSIDERATIONS

General

The Bonds are obligations solely of the District and are not obligations of the City of Houston, Fort Bend County, the State of Texas, or any entity other than the District. Payment of the principal of and interest on the Bonds depends upon the ability of the District to collect taxes levied on taxable property within the District in an amount sufficient to service the District's bonded debt or in the event of foreclosure, on the value of the taxable property in the District and the taxes levied by the District and other taxing authorities upon the property within the District. See "THE BONDS—Source of and Security for 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" herein.

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 to mitigate the effects of COVID-19. Additional information regarding executive at https://gov.texas.gov/. Neither the information on, ch website of the Governor is incorporated by reference into this Official Statement.

With the easing or removal of COVID-19 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 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 the District, is subject to occasional severe weather events, including tropical storms and hurricanes. If the District were to sustain damage to its facilities requiring substantial repair or replacement, or if substantial damage were to occur to taxable property within the District as a result of such a weather event, the investment security of the Bonds could be adversely affected.

The greater Houston area has experienced multiple storms exceeding a 0.2% probability (i.e. "500-year flood" events) since 2015, including Hurricane Harvey, which made landfall along the Texas Gulf Coast on August 26, 2017, and brought historic levels of rainfall during the successive four days. According to the Operator, there was no interruption of water and sewer service as a result of Hurricane Harvey and the District's system did not sustain any material damage from Hurricane Harvey. To the knowledge of the District, no homes within the District experienced structural flooding or other 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

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

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

Atlas 14

The National Weather Service recently completed a rainfall study known as NOAA Atlas 14, Volume 11 Precipitation-Frequency Atlas of the United States ("Atlas 14"). Floodplain boundaries within the District may be redrawn based upon the Atlas 14 study, which is based upon a higher statistical rainfall amount, resulting in interim floodplain regulations applying to a larger number of properties. Such regulations could additionally result in higher insurance rates, increased development fees and stricter building codes for any property located within the expanded boundaries of the floodplain. See "WATER, WASTEWATER AND DRAINAGE."

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, developed lots and commercial tracts. The market value of such development is related to general economic conditions in the Houston region and the national economy. Demand for commercial tracts and lots and the construction of taxable improvements thereon can be significantly affected by factors such as interest rates, credit availability, construction costs, energy availability and the prosperity and demographic characteristics of the urban center toward which the marketing of such property 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. See "Credit Markets and Liquidity in the Financial Markets" herein and "THE DEVELOPER AND PRINCIPAL LANDOWNERS."

Credit Markets and Liquidity in the Financial Markets

Interest rates and the availability of mortgage and development funding have a direct impact on the construction activity, particularly short-term interest rates at which developers are able to obtain financing for development costs. Interest rate levels may affect the ability of a landowner with undeveloped property to undertake and complete construction activities within the District. Because of the numerous and changing factors affecting the availability of funds, particularly the liquidity in the national credit markets, the District is unable to assess the future availability of such funds for continued construction within the District. In addition, since the District is located approximately 28 miles from the central downtown business district of the City of Houston, the success of development within the District and growth of District taxable property values are, to a great extent, a function of the Houston metropolitan and regional economies and national credit and financial markets. A downturn in the economic conditions of Houston and decline in the nation's real estate and financial markets could 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.

Competition

The demand for and construction of single-family homes and commercial improvements in the District, which is 28 miles from downtown Houston, could be affected by competition from other residential developments, including other residential developments located in Fort Bend County and the Houston metropolitan area. In addition to competition for new home sales from other developments, there are numerous previously owned homes in the area of the District and in more established neighborhoods closer to downtown Houston. Such homes could represent additional competition for new homes proposed to be sold within the District.

The competitive position of the Developer or any other landowner in the sale of developed lots and/or commercial tracts within the District is affected by most of the factors discussed in this section. Such a competitive position directly affects the growth and maintenance of taxable values in the District.

Possible Impact on District Tax Rate

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 Certified Taxable Assessed Valuation is $936,869,327. After issuance of the Bonds, the maximum debt service requirement will be $8,750,488 (2023), and the average annual debt service requirement will be $6,533,127 (2022-2046). Assuming no increase or decrease from the 2021 Certified Taxable Assessed Valuation, which is subject to protest by property owners, review and downward adjustment by the Appraisal District prior to certification, the issuance of no additional debt, and no other funds available for the payment of debt service, tax rates of $0.99 and $0.74 per $100 of appraised valuation at a ninety-five percent (95%) collection rate would be necessary to pay the maximum debt service requirement and the average annual debt service requirement, respectively. The Estimated Taxable Assessed Valuation as of September 15, 2021 is $1,007,594,439, which reduces the above calculations to $0.92 and $0.69, respectively. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Debt Service Requirements."

No representation or suggestion is made that the estimated values of land and improvements provided by the Appraisal District as of September 15, 2021 will be certified as taxable value by the Appraisal District, and no person should rely upon such amounts or their inclusion herein as assurance of their attainment.

Tax Collections Limitations and Foreclosure Remedies

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

Registered Owners' Remedies

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 Order, or defaults in the observation or performance of any other covenants, conditions, or obligations set forth in the Bond Order, the Registered Owners have the right to seek a writ of mandamus issued by a court of competent jurisdiction requiring the District and its officials to observe and perform the covenants, obligations, or conditions prescribed in the Bond Order. Except for mandamus, the Bond Order 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 Order 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.

Bankruptcy Limitation to Registered Owners' Rights

The enforceability of the rights and remedies of Registered Owners may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. Texas law requires municipal utility districts such as the District, to obtain the approval of the TCEQ as a condition to seeking relief under the Federal Bankruptcy Code.

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 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. After the issuance of the Bonds, the District will continue to owe AIRIA and other property owners approximately $40,810,000 plus interest for advances made for engineering and construction of water, wastewater, drainage, road and park facilities, which will be financed with future bond issues. A total of $125,000,000 principal amount of unlimited tax bonds for financing road facilities, $185,000,000 principal amount of unlimited tax bonds for the purpose of financing water, wastewater and drainage facilities, and $47,000,000 principal amount of unlimited tax bonds for financing park and recreational facilities has been authorized by the District's voters. After the issuance of the Bonds, $53,775,000 principal amount of road bonds, $122,675,000 principal amount of water, wastewater and drainage bonds, and all of the park bonds will remain authorized but unissued.

In addition, voters may authorize the issuance of additional bonds secured by ad valorem taxes. The District is authorized to issue bonds to refund or redeem its outstanding debt. 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. The issuance of bonds for water, wastewater and drainage facilities and park and recreational facilities is subject to approval by the TCEQ pursuant to its rules regarding issuance and feasibility of bonds, but the issuance of road bonds is not. In addition, 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." The issuance of additional obligations may increase the District's tax rate and adversely affect the security for, and the investment quality and value of, the Bonds.

Environmental Regulation and Air Quality

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 nonstormwater discharges into surface water in the state. It has a 5-year permit term, and is then subject to renewal. Moreover, the Clean Water Act ("CWA") and Texas Water Code require municipal wastewater treatment plants to meet secondary treatment effluent limitations and more stringent water quality-based limitations and requirements to comply with the Texas water quality standards. Any water quality-based limitations and requirements with which a municipal utility district must comply may have an impact on the municipal utility district's ability to obtain and maintain compliance with TPDES permits.

The TCEQ issued the General Permit for Phase II (Small) Municipal Separate Storm Sewer Systems (the "MS4 Permit") 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. While the District is currently not subject to the MS4 Permit, if the District's inclusion were required at a future date, the District could incur substantial costs to develop, implement, and maintain the necessary 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 in order to comply with the MS4 Permit.

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

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

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

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

In June and July of 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. In light of this order, the EPA and the USACE announced that they have halted implementation of the NWPR and are interpreting "waters of the United States" consistent with the pre-2015 regulatory regime until further notice while continuing to move forward with the rulemakings announced in June of 2021. 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.

Flood Protection: The District is located within the Upper Oyster Creek watershed. A portion of the District is within the 100-year floodplain or floodway. The District filed a Letter of Map Revision ("LOMR") in September 2016 to remove 166 acres within the District from the 100-year floodplain. The Letter of Final Determination for the LOMR was issued on July 11, 2017. The effective date of the LOMR was November 24, 2017. The District filed a Letter of Map Revision-Fill (LOMR-F) application to remove an additional 81 acres from the floodplain. The application was approved and became effective on October 22, 2019. The District filed another LOMR-F application to remove the remaining 8 acres of developable land from the floodplain. The Letter of Final Determination was issued on June 17, 2020 and became effective on October 30, 2020.

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.

Continuing Compliance with Certain Covenants

Failure of the District to comply with certain covenants contained in the Bond Order 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 "LEGAL MATTERS—Tax Exemption."

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

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

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

Future and Proposed Legislation

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law and could affect the market price or marketability of the Bonds. Any such proposal could limit for certain individual taxpayers the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted in the form introduced or in some other form cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisor regarding the foregoing matter.

LEGAL MATTERS

Legal Opinions

Issuance of the Bonds is subject to (i) the approving legal opinion of the Attorney General of Texas to the effect that the Bonds are valid and binding obligations of the District payable from a continuing, direct annual ad valorem tax levied without limit as to rate or amount upon all taxable property within the District, and (ii) the legal opinion of Bond Counsel, based upon examination of the transcript of the proceedings incident to authorization and issuance of the Bonds, to the effect that the Bonds are valid and legally binding obligations of the District payable from the sources and enforceable in accordance with the terms and conditions described therein, except to the extent that the enforceability thereof may be affected by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with general principles of equity, and are payable from annual ad valorem taxes, which are not limited by applicable law in rate or amount, levied against all property within the District which is not exempt from taxation by or under applicable law. Bond Counsel's opinion also will address the matters described below under "Tax Exemption." The legal opinion of Bond Counsel will be printed on the Bonds. Such opinion will express no opinion with respect to the sufficiency of the security for or the marketability of the Bonds.

In addition to serving as Bond Counsel, Coats Rose, P.C. also acts as counsel to the District on matters not related to the issuance of bonds. The legal fees to be paid Bond Counsel for services rendered in connection with the issuance of the Bonds are based upon a percentage of Bonds actually issued, sold and delivered and, therefore, such fees are contingent upon the sale and delivery of the Bonds.

No-Litigation Certificate

The District will furnish the Underwriter a certificate, dated as of the date of delivery of the Bonds, executed by both the President and Secretary of the Board, to the effect that no litigation of any nature is then pending against or, to the best knowledge of the certifying officers, threatened against the District contesting or attacking the Bonds or the Bond Order; restraining or enjoining the authorization, execution or delivery of the Bonds; affecting the provisions made for the payment of or security for the Bonds; in any manner questioning the authority of proceedings for the authorization, execution or delivery of the Bonds; or affecting the validity of the Bonds, the Bond Order, the corporate existence or boundaries of the District or the titles of the then present officers of the Board.

Not Qualified Tax-Exempt Obligations

The District has not designated the Bonds as "qualified tax-exempt obligations." within the meaning of Section 265(b) of the Internal Revenue Code of 1986.

No Material Adverse Change

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

Tax Exemption

On the date of initial delivery of the Bonds, Coats Rose, P.C., Bond Counsel will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof ("Existing Law"), (i) interest on the Bonds is excludable from gross income for federal income tax purposes under existing law, and (ii) the Bonds will not be treated as "specified private activity bonds" the interest on which would be included as an alternative minimum tax preference term under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). The statutes, regulations, rulings, and court decisions on which the opinion is based are subject to change.

In rendering such opinion, Bond Counsel will rely upon representations and certifications of the District made in a certificate pertaining to the use, expenditure, and investment of the proceeds of the Bonds and certain other funds and will assume continuing compliance by the District with the representations and warranties in and covenants of the Bond Order subsequent to the issuance of the Bonds. Failure to comply with any of these covenants would cause interest on the Bonds to be includable in the gross income of the owners thereof from the date of issuance of the Bonds.

Except as described above, Bond Counsel will express no other opinion with respect to any other federal, state or local tax consequences under present law or proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of tax- exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, "S" corporations with "subchapter C" earnings and profits, owners of interests in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry (or who have paid or incurred certain expenses allocable to) tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Tax Accounting Treatment of Discount and Premium on Certain Bonds

The initial public offering price of certain Bonds (the "Discount Bonds") is less than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Discount Bond (assuming that a substantial amount of the Discount Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bond. A portion of such original issue discount allocable to the holding period of such Discount Bond by the initial purchaser will, upon the disposition of such Discount Bond (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Bonds described above under "Tax Exemption." Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Bond, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Bond and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during his taxable year.

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, "S" corporations with "subchapter C" earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of interests in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Bond by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such 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 Discount Bond was held) is includable in gross income.

Owners of Discount Bonds should consult with their own tax advisors with respect to the determination for federal income tax purposes of accrued interest upon disposition of Discount Bonds and with respect to the state and local tax consequences of owning Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The initial public offering price of certain Bonds (the “Premium Bonds”) is greater than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial purchaser of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial purchaser must be reduced each year by the amortizable bond premium. Such reduction in basis will increase the amount of any gain or decrease the amount of any loss to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser’s yield to maturity. Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium with respect to the state and local tax consequences of owning Premium Bonds.

MUNICIPAL BOND RATING

S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, (“S&P”) has assigned a municipal bond rating of “AA” (stable outlook) and Moody’s Investors Service, Inc. (“Moody’s”) has assigned a municipal bond rating 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 “A3” 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 October 20, 2021, KBRA announced it had affirmed AGM’s insurance financial strength rating of “AA+” (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

On July 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 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 September 30, 2021:

- The policyholders' surplus of AGM was approximately $2,910 million.

- The contingency reserve of AGM was approximately $963 million.

- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately $2,124 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.

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);

(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); and

(iv) the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2021 (filed by AGL with the SEC on November 5, 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."

PREPARATION OF OFFICIAL STATEMENT

Sources and Compilation of Information

The financial data and other information contained in this OFFICIAL STATEMENT has been obtained primarily from the District's records, the Developer, 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 to such effect 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, orders, 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, 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.

Bond Counsel

Coats Rose, P.C. is employed as Bond Counsel for the District and has reviewed the information appearing in this OFFICIAL STATEMENT under the captions "THE BONDS," "THE DISTRICT-General," "TAXING PROCEDURES," "LEGAL MATTERS," AND "CONTINUING DISCLOSURE OF INFORMATION." Bond Counsel has reviewed the information under the aforementioned sections solely to determine whether such information fairly summarizes the law or documents referred to in such sections. Bond Counsel has not independently verified other factual information contained in this OFFICIAL STATEMENT nor 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 the limited participation of such firm as an assumption of responsibility for, or an expression of opinion of any kind with regard to, the accuracy or completeness of any of the other information contained herein.

Consultants

In approving this OFFICIAL STATEMENT, the District has relied upon the following consultants that have provided information used herein.

Engineer: The information contained in this OFFICIAL STATEMENT relating to engineering and to the description of the System and, in particular that information included in the sections entitled "THE DISTRICT," "ROAD SYSTEM," and "WATER, WASTEWATER AND DRAINAGE" has been provided by LJA Engineering, Inc., Consulting Engineers and has been included herein in reliance upon the authority of said firm as experts in the field of civil engineering.

Auditor: The financial statements of the District as of May 31, 2021, and for the year then ended, included in this offering document, have been audited by BKD, LLP, independent auditors, as stated in their report appearing herein. See "APPENDIX A."

Tax Appraisal and Collections: The Fort Bend Central Appraisal District has the responsibility of appraising all property within the District. Taxes are collected by the Fort Bend County Tax Collector. See "TAXING PROCEDURES."

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 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 (but not more than 90 days after the date the District delivers the Bonds) until all of the Bonds have been sold to ultimate customers.

Certification 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 certification, the official executing this OFFICIAL STATEMENT may state that he has relied in part on his examination of records of the District relating to matters within his own area of responsibility, and his 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 Order, the District has made the following agreement for the benefit of the registered and beneficial owners of the Bonds. The District is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the District will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified events, to the Municipal Securities Rulemaking Board (the "MSRB"). The MSRB has established the Electronic Municipal Market Access ("EMMA") System.

Annual Reports

The District will provide certain financial information and operating data annually to the MSRB through EMMA. The financial information and operating data which will be provided with respect to the District includes all quantitative financial information and operating data of the general type included in this OFFICIAL STATEMENT under the headings "WATER, WASTEWATER AND DRAINAGE," "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)," except for "Estimated Overlapping Debt," "TAX DATA," and in APPENDIX A (Independent Auditor's Report and Financial Statements of the District and Supplemental Schedules). The District will update and provide this information within six months after the end of each of its fiscal years ending in or after 2022. Any financial statements so provided shall be prepared in accordance with generally accepted accounting principles or other such principles as the District may be required to employ from time to time pursuant to state law or regulation and audited if the audit report is completed within the period during which it must be provided. If the audit report is not complete within such period, then the District shall provide unaudited financial statements for the applicable year to the MSRB within such six-month period and audited financial statements when the audit report becomes available.

The District's current fiscal year end is May 31. Accordingly, it must provide updated information by November 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.

Specified Event Notices

The District will provide timely notices of certain specified events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten business days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final 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 within the meaning of CFR § 240.15c2-12 (the "Rule"); (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person within the meaning of the Rule or the sale of all or substantially all of the assets of the District or other obligated person within the meaning of the Rule, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of an 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 within the meaning of the Rule, 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 within the meaning of the Rule, any of which affect Beneficial Owners of the Bonds, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the District or other obligated person within the meaning of the Rule, any of which reflect financial difficulties. The terms "material" and "financial obligation" when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Order 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, operational data, or financial statements in accordance with its agreement described above under "Annual Reports."

Availability of Information from MSRB

The District has agreed to provide the foregoing information only to the MSRB. The MSRB makes the information available to the public without charge through its Electronic Municipal Market Access 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 or agreed to update any information that is provided, except as described above. The District makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The District disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although 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 the changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the District, if but only if the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering made hereby in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and either the holders of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or any person unaffiliated with the District (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. The District may amend or repeal the agreement in the Bond Order if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid or unenforceable, but only to the extent that its right to do so would not prevent the Underwriters from lawfully purchasing the Bonds in the initial offering. If the District so amends the agreement, it has agreed to include with any financial information or operating data next provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

Compliance with Prior Undertakings

For the last five years, the District has been in compliance in all material respects with its previous disclosure undertakings made in accordance with the Rule, except as follows: The District's audited financial statements and separate document were filed timely for the fiscal year ended May 31, 2017; however the separate document failed to contain the obligated information as contained under the POS headings: "WATER, WASTEWATER AND DRAINAGE," "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)," except for "Estimated Overlapping Debt," and "TAX DATA." An amended report and appropriate event notice were filed on August 9, 2018; however, the amended filing failed to include the section "Tax Adequacy for Debt Service." Subsequent filings have included all required information. The District has established procedures to ensure future disclosures are prepared and submitted in a timely manner.

MISCELLANEOUS

All estimates, statements and assumptions in this OFFICIAL STATEMENT and the APPENDIX 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.

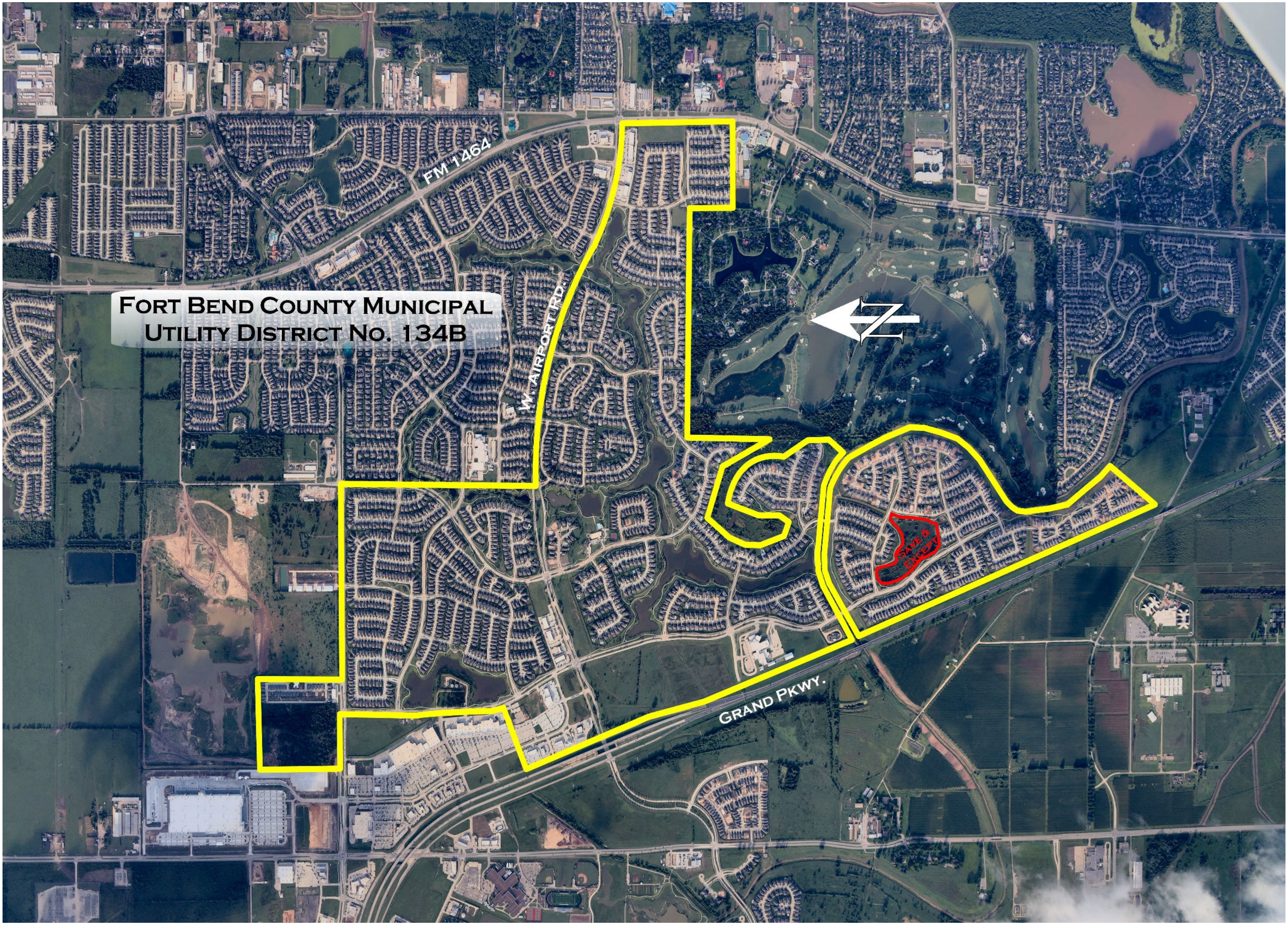
This OFFICIAL STATEMENT was approved by the Board of Directors of Fort Bend County Municipal Utility District No. 134B, as of the date shown on the cover page.

/s/ Jacob R. Hart
President, Board of Directors

ATTEST:

/s/ Matthew Shepard
Secretary, Board of Directors

AERIAL LOCATION MAP
(Approximate Boundaries as of July 2021)


Fort Bend County Municipal
Utility District No. 134B
FM 1464
W. Airport Rd.
Grand Pkwy.
N
Save & Except

PHOTOGRAPHS OF THE DISTRICT
(Taken July 2021)


ALIANA


PERRY HOMES
PERRY
HOMES
SOLD
281.207.6656


homeGUARD


timewise


SHERWIN-WILLIAMS PAINTS
SHERWIN-WILLIAMS PAINTS
Sapphire
NO PARKING TOW AWAY ZONE


afc URGENT CARE
18310
NEIGHBORHOOD PET HOSPITAL


EPIC SMILE
Best in Class Education Center

APPENDIX A
Independent Auditor's Report and Financial Statements of the District for the year ended May 31, 2021

Fort Bend County Municipal Utility District No. 134B

Fort Bend County, Texas

Independent Auditor's Report and Financial Statements

May 31, 2021

BKD

CPAs & Advisors

Fort Bend County Municipal Utility District No. 134B
May 31, 2021

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BKD
CPAs & Advisors

2700 Post Oak Boulevard, Suite 1500 | Houston, TX 77056-5829
713.499.4600 | Fax 713.499.4699 | bkd.com

Independent Auditor's Report

Board of Directors
Fort Bend County Municipal Utility District No. 134B
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. 134B (the District), as of and for the year ended May 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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 May 31, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

BKD, LLP

Houston, Texas
October 11, 2021

Fort Bend County Municipal Utility District No. 134B
Management's Discussion and Analysis
May 31, 2021

Overview of the Financial Statements

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

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

Government-wide Financial Statements

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

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

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

Fort Bend County Municipal Utility District No. 134B
Management's Discussion and Analysis (Continued)
May 31, 2021

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

Fund Financial Statements

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

Governmental Funds

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

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

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

Notes to Financial Statements

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

Financial Analysis of the District as a Whole

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

Summary of Net Position

	2021	2020
Current and other assets	$ 20,226,418	$ 14,722,366
Capital assets	103,890,929	90,870,841
Total assets	$ 124,117,347	$ 105,593,207
Long-term liabilities	$ 137,704,902	$ 117,110,788
Other liabilities	1,951,816	1,866,905
Total liabilities	139,656,718	118,977,693
Net position:		
Net investment in capital assets	(32,898,643)	(25,724,124)
Restricted	7,285,578	5,299,289
Unrestricted	10,073,694	7,040,349
Total net position	$ (15,539,371)	$ (13,384,486)

The total net position of the District decreased by $2,154,885, or about 16 percent. The decrease in net position is primarily related to the purchase of water and sewer connections from Fort Bend County Municipal Utility District No. 134A. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Summary of Changes in Net Position

	2021	2020
Revenues:		
Property taxes	$ 10,342,271	$ 8,013,130
Charges for services	3,431,003	2,837,140
Other revenues	1,082,137	1,205,455
Total revenues	14,855,411	12,055,725

Fort Bend County Municipal Utility District No. 134B

Management's Discussion and Analysis (Continued)

May 31, 2021

Summary of Changes in Net Position (Continued)

	2021	2020
Expenses:		
Services	$ 4,542,139	$ 4,654,228
Connection fees	5,382,168	1,864,874
Depreciation	2,934,291	2,565,202
Debt service	4,151,698	3,870,228
Total expenses	17,010,296	12,954,532
Change in net position	(2,154,885)	(898,807)
Net position, beginning of year	(13,384,486)	(12,485,679)
Net position, end of year	$ (15,539,371)	$ (13,384,486)

Financial Analysis of the District's Fund

The combined fund balances as of the end of the fiscal year ended May 31, 2021, were $18,900,954, an increase of $5,501,003 from the prior year.

The general fund's fund balance increased by $3,039,941, primarily due to property taxes and service revenues exceeding service operations and capital outlay expenditures. In addition, tap connection and inspection fee revenues exceeded related expenditures.

The debt service fund's fund balance increased by $2,033,520 due to property taxes revenue and proceeds received from the sales of bonds exceeding debt service requirements.

The capital projects fund's fund balance increased by $427,542 due to net proceeds received from the sale of bonds exceeding capital outlay expenditures and debt issuance costs.

General Fund Budgetary Highlights

There were several differences between the final budgetary amounts and actual amounts. The major differences between budget and actual were due to water and sewer service and surface water conversion revenues, tap connection and inspection fee revenues and related expenditures, and purchased services, contracted services and capital outlay expenditures being greater than anticipated. The fund balance as of May 31, 2021, was expected to be $9,664,914 and the actual end-of-year fund balance was $10,038,947.

Capital Assets and Related Debt

Capital Assets

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

Capital Assets (Net of Accumulated Depreciation)

	2021	2020
Land and improvements	$ 22,491,291	$ 19,016,411
Water facilities	6,031,176	4,739,258
Wastewater facilities	10,231,313	8,677,775
Drainage facilities	25,787,880	22,747,438
Roads and paving	38,482,181	34,777,234
Parks and recreational facilities	867,088	912,725
Total capital assets	$ 103,890,929	$ 90,870,841

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

Land acquisition costs for Aliana, Sections 65, 67 and 69; West Aliana Trace, Section 5; West Bellfort expansion and Kirkshaw Drive, Section 2	$ 3,474,880
Road and paving facilities for Aliana, Sections 50, 61, 65, 66, 67, 68, 69, 70, 71 and 72; West Aliana Trace, Phases 5 and 6; West Aliana Trace bridge and Kirkshaw Drive, Phase 2	5,556,952
Water, sewer and drainage facilities for Aliana, Sections 42, 57, 58, 60, 61, 66, 68, 70, 71 and 72; Kirkshaw Drive, Phase 2; and West Aliana Trace, Phase 4	6,922,547
Total additions to capital assets	$ 15,954,379

The developer within the District has constructed water, sewer, drainage, road and paving, and parks and recreational facilities on behalf of the District under the terms of contracts with the District. The District has agreed to purchase these facilities from the proceeds of future bond issues subject to the approval of the Commission. As of May 31, 2021, a liability for developer-constructed capital assets of $34,180,220 was recorded in the government-wide financial statements.

Debt

The changes in the debt position of the District during the fiscal year ended May 31, 2021, are summarized as follows.

Long-term debt payable, beginning of year	$ 117,110,788
Increases in long-term debt	37,654,945
Decreases in long-term debt	(17,060,831)
Long-term debt payable, end of year	$ 137,704,902

At May 31, 2021, the District had $136,675,000 of unlimited tax bonds, $62,060,000 of road bonds and $47,000,000 of recreational facilities bonds authorized, but unissued, for the purposes of acquiring, constructing and improving the water, sanitary sewer, drainage, road and recreational facilities systems within the District.

The District's bonds carry an underlying rating of "A3" from Moody's Investors Service. The Series 2017, Road Series 2017, Road Series 2019 and Series 2020 bonds carry a "AA" rating from Standard and Poor's by virtue of bond insurance issued by Assured Guaranty Mutual Corp. The Series 2018, Road Series 2018, Series 2019, Road Series 2020, Road Series 2020A and Road Series 2021 bonds carry a "AA" rating from Standard & Poor's by virtue of bond insurance issued by Build America Mutual Assurance Company.

Other Relevant Factors

Relationship to the City of Houston

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City of Houston (the City), the District must conform to the City ordinance consenting to the creation of the District. In addition, the District may be annexed by the City without the District's consent. If the District is annexed, the City must assume the District's assets and obligations (including the bonded indebtedness) and abolish the District within 90 days.

Subsequent Event

On August 31, 2021, the District awarded the sale of its $14,000,000 Series 2021 Unlimited Tax Bonds at a net effective interest rate of approximately 2.24 percent. The bonds were sold to repay the developer for construction projects within the District.

Fort Bend County Municipal Utility District No. 134B

Statement of Net Position and Governmental Funds Balance Sheet

May 31, 2021

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets						
Cash	$ 1,412,318	$ 2,880,730	$ 677,286	$ 4,970,334	$ -	$ 4,970,334
Certificates of deposit	8,921,381	5,325,000	-	14,246,381	-	14,246,381
Receivables:						
Property taxes	34,747	81,052	-	115,799	-	115,799
Service accounts	299,126	-	-	299,126	-	299,126
Accrued penalty and interest	-	-	-	-	15,339	15,339
Accrued interest	4,641	2,918	-	7,559	-	7,559
Interfund receivable	41,635	-	-	41,635	(41,635)	-
Due from others	24,934	-	-	24,934	-	24,934
Operating reserve	546,946	-	-	546,946	-	546,946
Capital assets (net of accumulated depreciation):						
Land and improvements	-	-	-	-	22,491,291	22,491,291
Infrastructure	-	-	-	-	42,050,369	42,050,369
Roads and paving	-	-	-	-	38,482,181	38,482,181
Parks and recreation	-	-	-	-	867,088	867,088
Total assets	$ 11,285,728	$ 8,289,700	$ 677,286	$ 20,252,714	$ 103,864,633	$ 124,117,347

Fort Bend County Municipal Utility District No. 134B
Statement of Net Position and Governmental Funds Balance Sheet (Continued)
May 31, 2021

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Liabilities						
Accounts payable	$ 672,842	$ -	$ -	$ 672,842	$ -	$ 672,842
Accrued interest payable	-	6,233	-	6,233	757,490	763,723
Customer deposits	227,968	-	-	227,968	-	227,968
Due to others	287,283	-	-	287,283	-	287,283
Interfund payable	23,941	17,694	-	41,635	(41,635)	-
Long-term liabilities:						
Due within one year	-	-	-	-	4,355,000	4,355,000
Due after one year	-	-	-	-	133,349,902	133,349,902
Total liabilities	1,212,034	23,927	0	1,235,961	138,420,757	139,656,718
Deferred Inflows of Resources						
Deferred property tax revenues	34,747	81,052	0	115,799	(115,799)	0
Fund Balances/Net Position						
Fund balances:						
Restricted:						
Water, sewer and drainage bonds	-	3,728,718	-	3,728,718	(3,728,718)	-
Road bonds	-	4,456,003	-	4,456,003	(4,456,003)	-
Water, sewer and drainage	-	-	227,682	227,682	(227,682)	-
Roads	-	-	449,604	449,604	(449,604)	-
Assigned, operating reserve	546,946	-	-	546,946	(546,946)	-
Unassigned	9,492,001	-	-	9,492,001	(9,492,001)	-
Total fund balances	10,038,947	8,184,721	677,286	18,900,954	(18,900,954)	0
Total liabilities, deferred inflows of resources and fund balances	$ 11,285,728	$ 8,289,700	$ 677,286	$ 20,252,714		
Net position:						
Net investment in capital assets					(32,898,643)	(32,898,643)
Restricted for debt service					7,284,959	7,284,959
Restricted for capital projects					619	619
Unrestricted					10,073,694	10,073,694
Total net position					$ (15,539,371)	$ (15,539,371)

Fort Bend County Municipal Utility District No. 134B

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

Year Ended May 31, 2021

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues						
Property taxes	$ 3,092,741	$ 7,223,325	$ -	$ 10,316,066	$ 26,205	$ 10,342,271
Water service	684,406	-	-	684,406	-	684,406
Sewer service	1,116,460	-	-	1,116,460	-	1,116,460
Surface water conversion	1,630,137	-	-	1,630,137	-	1,630,137
Penalty and interest	7,145	28,534	-	35,679	2,988	38,667
Tap connection and inspection fees	946,485	-	-	946,485	-	946,485
Interest income	26,862	23,383	313	50,558	-	50,558
Other income	46,427	-	-	46,427	-	46,427
Total revenues	7,550,663	7,275,242	313	14,826,218	29,193	14,855,411
Expenditures/Expenses						
Service operations:						
Purchased services	2,462,658	-	-	2,462,658	-	2,462,658
Professional fees	114,014	5,730	-	119,744	-	119,744
Contracted services	765,686	32,028	-	797,714	-	797,714
Utilities	3,724	-	-	3,724	-	3,724
Repairs and maintenance	445,413	-	-	445,413	277,185	722,598
Other expenditures	45,256	362	230	45,848	-	45,848
Tap connections	389,853	-	-	389,853	-	389,853
Capital outlay	277,185	-	22,296,427	22,573,612	(22,573,612)	-
Connection fees	-	-	-	-	5,382,168	5,382,168
Depreciation	-	-	-	-	2,934,291	2,934,291
Debt service:						
Principal retirement	-	2,825,000	-	2,825,000	(2,825,000)	-
Interest and fees	-	2,713,577	-	2,713,577	170,589	2,884,166
Debt issuance costs	6,933	-	1,260,599	1,267,532	-	1,267,532
Total expenditures/expenses	4,510,722	5,576,697	23,557,256	33,644,675	(16,634,379)	17,010,296
Excess (Deficiency) of Revenues Over Expenditures	3,039,941	1,698,545	(23,556,943)	(18,818,457)	16,663,572	

Fort Bend County Municipal Utility District No. 134B
Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances (Continued)
Year Ended May 31, 2021

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Other Financing Sources (Uses)						
General obligation bonds issued	$ -	$ 334,975	$ 24,165,025	$ 24,500,000	$ (24,500,000)	
Discount on debt issued	-	-	(180,540)	(180,540)	180,540	
Total other financing sources	0	334,975	23,984,485	24,319,460	(24,319,460)	
Excess of Revenues and Other Financing Sourves Over Expenditures and Other Financing Uses	3,039,941	2,033,520	427,542	5,501,003	(5,501,003)	
Change in Net Position					(2,154,885)	$ (2,154,885)
Fund Balances/Net Position						
Beginning of year	6,999,006	6,151,201	249,744	13,399,951	-	(13,384,486)
End of year	$ 10,038,947	$ 8,184,721	$ 677,286	$ 18,900,954	$ 0	$ (15,539,371)

Fort Bend County Municipal Utility District No. 134B
Notes to Financial Statements
May 31, 2021

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

Fort Bend County Municipal Utility District No. 134B (the District) was created by House Bill Number 1342 (the Bill) of the 77th Legislature of the State of Texas, Regular Session, 2001. The District operates in accordance with Chapters 49 and 54 of the Texas Water Code and is subject to the continuing supervision of the Texas Commission on Environmental Quality (the Commission). The principal functions of the District are to finance, construct, own and operate waterworks, wastewater, drainage, recreational, and road and paving facilities and to provide such facilities and services to the customers of the District.

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

Reporting Entity

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

Government-wide and Fund Financial Statements

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

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

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

The District presents the following major governmental funds:

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

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

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

Fund Balances – Governmental Funds

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

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

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

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

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

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

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

Measurement Focus and Basis of Accounting

Government-wide Financial Statements

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

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

Fund Financial Statements

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

Deferred Outflows and Inflows of Resources

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

Fort Bend County Municipal Utility District No. 134B
Notes to Financial Statements
May 31, 2021

Interfund Transactions

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

Pension Costs

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

Use of Estimates

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

Investments and Investment Income

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

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

Property Taxes

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

In the governmental funds, property taxes are initially recorded as receivables and deferred inflows of resources at the time the tax levy is billed. Revenues recognized during the fiscal year ended May 31, 2021, include collections during the current period or within 60 days of year-end related to the 2020 and prior years' tax levies.

In the government-wide statement of net position, property taxes are considered earned in the budget year for which they are levied. For the District's fiscal year ended May 31, 2021, the 2020 tax levy is considered earned during the current fiscal year. In addition to property taxes levied, any delinquent taxes are recorded net of amounts considered uncollectible.

Capital Assets

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

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

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

	Years
Water production and distribution facilities	10-45
Wastewater collection and treatment facilities	10-45
Drainage facilities	10-45
Roads and paving	10-30
Parks and recreation	10-30

Debt Issuance Costs

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

Long-term Obligations

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

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

Net Position/Fund Balances

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

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

Reconciliation of Government-wide and Fund Financial Statements

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

Capital assets used in governmental activities are not financial resources and are not reported in the funds.	$ 103,890,929
Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements.	115,799
Penalty and interest on delinquent taxes is not receivable in the current period and is not reported in the funds.	15,339
Accrued interest on long-term liabilities is not payable with current financial resources and is not reported in the funds.	(757,490)
Long-term debt obligations are not due and payable in the current period and are not reported in the funds.	(137,704,902)
Adjustment to fund balances to arrive at net position.	$ (34,440,325)

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

Change in fund balances.	$	5,501,003
Governmental funds report capital outlays as expenditures. However, for government-wide financial statements, the cost of capitalized assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay expenditures exceeded depreciation, connection fees and noncapitalized expenses in the current year.		13,979,968
Governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		180,540
Governmental funds report proceeds from the sales of bonds because they provide current financial resources to governmental funds. Principal payments on debt are recorded as expenditures. None of these transactions, however, have any effect on net position.		(21,675,000)
Revenues that do not provide current financial resources are not reported as revenues for the funds but are reported as revenues in the statements of activities.		29,193
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(170,589)
Change in net position of governmental activities.	$	(2,154,885)

Note 2: Deposits, Investments and Investment Income

Deposits

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

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

At May 31, 2021, none of the District's bank balances were exposed to custodial credit risk.

Investments

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

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

At May 31, 2021, the District had no investments, other than certificates of deposit.

Investment Income

Investment income of $50,558 for the year ended May 31, 2021, consisted of interest income.

Note 3: Capital Assets

A summary of changes in capital assets for the year ended May 31, 2021, is presented as follows:

Governmental Activities	Balances, Beginning of Year	Additions	Balances, End of Year
Capital assets, non-depreciable:			
Land and improvements	$ 19,016,411	$ 3,474,880	$ 22,491,291

Fort Bend County Municipal Utility District No. 134B

Notes to Financial Statements

May 31, 2021

Governmental Activities (Continued)	Balances, Beginning of Year	Additions	Balances, End of Year
Capital assets, depreciable:			
Water production and distribution facilities	$ 5,149,903	$ 1,441,650	$ 6,591,553
Wastewater collection and treatment facilities	9,411,937	1,810,684	11,222,621
Drainage facilities	24,611,658	3,670,213	28,281,871
Roads and paving	40,647,634	5,556,952	46,204,586
Parks and recreational facilities	1,140,906	-	1,140,906
Total capital assets, depreciable	80,962,038	12,479,499	93,441,537
Less accumulated depreciation:			
Water production and distribution facilities	(410,645)	(149,732)	(560,377)
Wastewater collection and treatment facilities	(734,162)	(257,146)	(991,308)
Drainage facilities	(1,864,220)	(629,771)	(2,493,991)
Roads and paving	(5,870,400)	(1,852,005)	(7,722,405)
Parks and recreational facilities	(228,181)	(45,637)	(273,818)
Total accumulated depreciation	(9,107,608)	(2,934,291)	(12,041,899)
Total governmental activities, net	$ 90,870,841	$ 13,020,088	$ 103,890,929

Note 4: Long-term Liabilities

Changes in long-term liabilities for the year ended May 31, 2021, were as follows:

Governmental Activities	Balances, Beginning of Year	Increases	Decreases	Balances, End of Year	Amounts Due in One Year
Bonds payable:					
General obligation bonds	$ 83,825,000	$ 24,500,000	$ 2,825,000	$ 105,500,000	$ 4,355,000
Less discounts on bonds	1,854,312	180,540	59,534	1,975,318	-
	81,970,688	24,319,460	2,765,466	103,524,682	4,355,000
Due to developer	35,140,100	13,335,485	14,295,365	34,180,220	-
Total governmental activities long-term liabilities	$ 117,110,788	$ 37,654,945	$ 17,060,831	$ 137,704,902	$ 4,355,000

Fort Bend County Municipal Utility District No. 134B
Notes to Financial Statements
May 31, 2021

General Obligation Bonds

	Road Series 2015	Series 2016
Amounts outstanding, May 31, 2021	$3,630,000	$5,240,000
Interest rates	2.75% to 4.10%	2.00% to 3.75%
Maturity dates, serially beginning/ending	September 1, 2021/2041	September 1, 2021/2041
Interest payment dates	September 1/ March 1	September 1/ March 1
Callable dates*	September 1, 2022	September 1, 2023

	Road Series 2016	Series 2017
Amounts outstanding, May 31, 2021	$7,920,000	$7,060,000
Interest rates	3.00% to 4.25%	2.25% to 3.50%
Maturity dates, serially beginning/ending	September 1, 2021/2041	September 1, 2021/2041
Interest payment dates	September 1/ March 1	September 1/ March 1
Callable dates*	September 1, 2023	September 1, 2024

	Road Series 2017	Series 2018
Amounts outstanding, May 31, 2021	$8,210,000	$8,960,000
Interest rates	2.125% to 4.625%	3.00% to 3.75%
Maturity dates, serially beginning/ending	September 1, 2021/2041	September 1, 2021/2041
Interest payment dates	September 1/ March 1	September 1/ March 1
Callable dates*	September 1, 2024	September 1, 2023

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

Fort Bend County Municipal Utility District No. 134B

Notes to Financial Statements

May 31, 2021

	Road Series 2018	Series 2019
Amounts outstanding, May 31, 2021	$10,020,000	$12,960,000
Interest rates	3.000% to 4.125%	2.00% to 3.00%
Maturity dates, serially beginning/ending	September 1, 2021/2041	September 1, 2021/2044
Interest payment dates	September 1/ March 1	September 1/ March 1
Callable dates*	September 1, 2024	September 1, 2024

	Road Series 2019	Road Series 2020
Amounts outstanding, May 31, 2021	$12,000,000	$5,000,000
Interest rates	2.00% to 4.50%	2.00% to 2.25%
Maturity dates, serially beginning/ending	September 1, 2021/2044	September 1, 2021/2044
Interest payment dates	September 1/ March 1	September 1/ March 1
Callable dates*	September 1, 2024	September 1, 2025

	Series 2020	Road Series 2020A
Amounts outstanding, May 31, 2021	$11,500,000	$8,000,000
Interest rates	2.000% to 2.125%	2.00% to 4.00%
Maturity dates, serially beginning/ending	September 1, 2021/2044	September 1, 2021/2044
Interest payment dates	September 1/ March 1	September 1/ March 1
Callable dates*	September 1, 2025	September 1, 2025

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

Fort Bend County Municipal Utility District No. 134B

Notes to Financial Statements

May 31, 2021

	Road Series 2021
Amount outstanding, May 31, 2021	$5,000,000
Interest rates	1.00% to 3.50%
Maturity dates, serially beginning/ending	September 1, 2022/2046
Interest payment dates	September 1/ March 1
Callable date*	September 1, 2026

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

Annual Debt Service Requirements

The following schedule shows the annual debt service requirements to pay principal and interest on general obligation bonds outstanding at May 31, 2021:

Year	Principal	Interest	Total
2022	$ 4,355,000	$ 2,986,118	$ 7,341,118
2023	4,570,000	2,844,816	7,414,816
2024	4,580,000	2,702,610	7,282,610
2025	4,595,000	2,567,756	7,162,756
2026	4,600,000	2,441,358	7,041,358
2027-2031	23,180,000	10,396,518	33,576,518
2032-2036	23,560,000	7,187,264	30,747,264
2037-2041	24,035,000	3,612,152	27,647,152
2042-2046	11,825,000	554,597	12,379,597
2047	200,000	2,125	202,125
Total	$ 105,500,000	$ 35,295,314	$ 140,795,314

The bonds are payable from the proceeds of an ad valorem tax levied upon all property within the District subject to taxation, without limitation as to rate or amount, and are further payable from and secured by a lien on and a pledge of the net revenues to be received from the operation of the District's waterworks and sanitary system.

Bonds voted:	
Water, sewer and drainage facilities	$ 185,000,000
Road and paving facilities	125,000,000
Park and recreational facilities	47,000,000
Bonds sold:	
Water, sewer and drainage facilities	48,325,000
Road and paving facilities	62,940,000

Due to Developer

The developer of the District has constructed water, sewer, drainage, road and paving, and parks and recreational facilities on behalf of the District. The District is maintaining and operating the facilities and has agreed to reimburse the developer for these construction costs and interest to the extent approved by the Commission from the proceeds of future bond sales. The District's engineer estimates reimbursable costs for completed projects are $34,180,220. These amounts have been recorded in the financial statements as long-term liabilities.

Note 5: Significant Bond Order and Commission Requirements

A. The Bond Orders require that the District levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due. During the year ended May 31, 2021, the District levied an ad valorem debt service tax at the rate of $0.4500 per $100 of assessed valuation, which resulted in a tax levy of $3,367,215 on the taxable valuation of $748,196,225 for the 2020 tax year. The interest and principal requirements to be paid from the tax revenues and available resources are $3,192,588 of which $618,794 has been paid and $2,573,794 is due September 1, 2021.

B. The Bond Orders require that the District levy and collect an ad valorem road debt service tax sufficient to pay interest and principal on road bonds when due. During the year ended May 31, 2021, the District levied an ad valorem road debt service tax at the rate of $0.5200 per $100 of assessed valuation, which resulted in a tax levy of $3,891,004 on the taxable valuation of $748,196,225 for the 2020 tax year. The interest and principal requirements to be paid from the tax revenues and available resources are $4,118,084 of which $809,431 has been paid and $3,308,653 is due September 1, 2021.

C. In accordance with the Series 2019, Road Series 2020, Series 2020 and Road Series 2021 Bond Orders, a portion of the proceeds was deposited into the debt service fund and reserved for the payment of bond interest during the construction period. This bond interest is reduced as the interest is paid.

Bond interest reserve, beginning of year		$ 266,612
Additions:		
Interest appropriated from bond proceeds:		
Series 2020	$ 232,975	
Road Series 2021	102,000	
Accrued interest received on bonds at date of sale,		
Series 2020	13,590	348,565
Deductions--Appropriation from bond interest paid:		
Series 2019	163,537	
Road Series 2020	96,490	
Series 2020	116,487	376,514
Bond interest reserve, end of year		$ 238,663

Note 6: Maintenance Taxes

At an election held May 10, 2008, voters authorized a maintenance tax not to exceed $1.50 per $100 of assessed valuation on all property within the District subject to taxation. During the year ended May 31, 2021, the District levied an ad valorem maintenance tax at the rate of $0.4150 per $100 of assessed valuation, which resulted in a tax levy of $3,105,320 on the taxable valuation of $748,196,225 for the 2020 tax year. The maintenance tax is being used by the general fund to pay expenditures of operating the District.

At an election held May 10, 2008, voters authorized a park and recreational facilities operation and maintenance tax not to exceed $0.10 per $100 of assessed valuation on all property within the District subject to taxation. During the year ended May 31, 2021, the District did not levy an ad valorem park and recreational facilities operation and maintenance tax.

Note 7: Financing and Operation of Regional Facilities

On November 14, 2007, and as subsequently amended on March 7, 2019, the District entered into a regional contract with Fort Bend County Municipal Utility District No. 134A (District No. 134A) and Fort Bend County Municipal Utility District No. 134C (District No. 134C), whereby District No. 134A will act as a master district and provide or cause to be provided the regional water supply and delivery facilities, the regional waste collection, treatment and disposal facilities, and the regional drainage and detention facilities necessary to serve the District. Under the terms of the regional contract, which is in effect for 50 years, operating charges per single-family equivalent connection were established and are billed to the participants on a monthly basis. The District incurred $2,462,658 of operating costs attributable to facilities for the year ended May 31, 2021.

District No. 134A is to establish and maintain an operation and maintenance reserve equivalent to three months of budgeted operation and maintenance expenditures. As of May 31, 2021, the District has deposited $546,946 with District No. 134A for its share of the operating reserve.

District No. 134A charges a connection fee to pay for the costs of constructing regional facilities. The connection charge per equivalent single-family connection is currently $11,803. As of May 31, 2021, the District has purchased 1,602 water and sewer connections, a total value of $18,908,406. In addition, District No. 134A is authorized, under certain circumstances, to issue contract revenue bonds sufficient to complete acquisition and construction of the facilities as needed to serve all districts in the service area. Once bonds are issued, each participating district will contribute to the debt service requirements of the bonds.

Note 8: Regional Water Authority

The District is within the boundaries of the North Fort Bend Water Authority (the Authority), which was created by the Texas Legislature. The Authority was created to provide a regional entity to acquire surface water and build the necessary facilities to convert from groundwater to surface water in order to meet conversion requirements mandated by the Fort Bend Subsidence District, which regulates groundwater withdrawal. As of May 31, 2021, the Authority was billing District No. 134A $4.25 per 1,000 gallons of water pumped from its wells and $4.60 per 1,000 gallons of surface water purchased from the Authority and District No. 134A bills the District for its proportionate share. These amounts are subject to future increases.

Note 9: Risk Management

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

Note 10: Uncertainties

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

Note 11: Subsequent Event

On August 31, 2021, the District awarded the sale of its $14,000,000 Series 2021 Unlimited Tax Bonds at a net effective interest rate of approximately 2.24 percent. The bonds were sold to repay the developer for construction projects within the District.

Required Supplementary Information

Fort Bend County Municipal Utility District No. 134B
Budgetary Comparison Schedule – General Fund
Year Ended May 31, 2021

	Original Budget	Final Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	$ 3,316,300	$ 3,042,000	$ 3,092,741	$ 50,741
Water service	600,000	600,000	684,406	84,406
Sewer service	930,000	930,000	1,116,460	186,460
Surface water conversion	1,235,000	1,235,000	1,630,137	395,137
Penalty and interest	15,000	15,000	7,145	(7,855)
Tap connection and inspection fees	651,000	651,000	946,485	295,485
Investment income	10,000	10,000	26,862	16,862
Other income	1,000	1,000	46,427	45,427
Total revenues	6,758,300	6,484,000	7,550,663	1,066,663
Expenditures				
Service operations:				
Purchased services	2,142,344	2,369,792	2,462,658	(92,866)
Professional fees	148,800	148,800	114,014	34,786
Contracted services	362,800	362,800	765,686	(402,886)
Utilities	15,000	15,000	3,724	11,276
Repairs and maintenance	493,000	493,000	445,413	47,587
Other expenditures	38,700	38,700	45,256	(6,556)
Tap connections	200,000	200,000	389,853	(189,853)
Capital outlay	190,000	190,000	277,185	(87,185)
Debt service, debt issuance costs	-	-	6,933	(6,933)
Total expenditures	3,590,644	3,818,092	4,510,722	(692,630)
Excess of Revenues Over Expenditures	3,167,656	2,665,908	3,039,941	374,033
Fund Balance, Beginning of Year	6,999,006	6,999,006	6,999,006	-
Fund Balance, End of Year	$ 10,166,662	$ 9,664,914	$ 10,038,947	$ 374,033

Fort Bend County Municipal Utility District No. 134B

Notes to Required Supplementary Information

May 31, 2021

Budgets and Budgetary Accounting

An annual operating budget is prepared for the general fund by the District's consultants. The budget reflects resources expected to be received during the year and expenditures expected to be incurred. The Board of Directors is required to adopt the budget prior to the start of its fiscal year. The budget is not a spending limitation (a legally restricted appropriation). The original budget of the general fund was amended during fiscal 2021.

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

Other Information

Fort Bend County Municipal Utility District No. 134B
Other Schedules Included Within This Report
May 31, 2021

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

[X] Notes Required by the Water District Accounting Manual
See "Notes to Financial Statements," Pages 13-28

[X] Schedule of Services and Rates

[X] Schedule of General Fund Expenditures

[X] Schedule of Temporary Investments

[X] Analysis of Taxes Levied and Receivable

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

[X] Changes in Long-term Bonded Debt

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

[X] Board Members, Key Personnel and Consultants

Fort Bend County Municipal Utility District No. 134B

Schedule of Services and Rates

Year Ended May 31, 2021

1. Services provided by the District:

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

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

___ Other ______

2. Retail service providers

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

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate Per 1,000 Gallons Over Minimum	Usage Levels		
Water:	$ 20.00	10,000	N	$ 1.50	10,001	to	15,000
				$ 1.75	15,001	to	20,000
				$ 2.00	20,001	to	25,000
				$ 2.50	25,001	to	30,000
				$ 3.50	30,001	to	No Limit
Wastewater:	$ 44.85	0	Y				
Regional water fee:	$ 5.06	0	N	$ 5.06	1	to	No Limit

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

Total charges per 10,000 gallons usage (including fees): Water $ 70.60 Wastewater $ 44.85

b. Water and wastewater retail connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC*
Unmetered	-	-	x1.0	-
≤ 3/4"	860	856	x1.0	856
1"	1,353	1,351	x2.5	3,378
1 1/2"	9	9	x5.0	45
2"	67	67	x8.0	536
3"	3	3	x15.0	45
4"	2	2	x25.0	50
6"	-	-	x50.0	-
8"	1	1	x80.0	80
10"	-	-	x115.0	-
Total water	2,295	2,289		4,990
Total wastewater	2,188	2,182	x1.0	2,182

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

Gallons pumped into the system:	330,187
Gallons billed to customers:	330,187
Water accountability ratio (gallons billed/gallons pumped):	100.00%

*"ESFC" means equivalent single-family connections

Fort Bend County Municipal Utility District No. 134B

Schedule of General Fund Expenditures

Year Ended May 31, 2021

Personnel (including benefits)		$ -
Professional Fees		
Auditing	$ 14,000	
Legal	84,092	
Engineering	15,922	
Financial advisor	-	114,014
Purchased Services for Resale		
Bulk water and wastewater service purchases		2,462,658
Regional Water Fee		-
Contracted Services		
Bookkeeping	15,548	
General manager	-	
Appraisal district	-	
Tax collector	-	
Security	-	
Other contracted services	255,754	271,302
Utilities		3,724
Repairs and Maintenance		445,413
Administrative Expenditures		
Directors' fees	9,600	
Office supplies	-	
Insurance	6,180	
Other administrative expenditures	29,476	45,256
Capital Outlay		
Capitalized assets	-	
Expenditures not capitalized	277,185	277,185
Tap Connection Expenditures		389,853
Solid Waste Disposal		494,384
Fire Fighting		-
Parks and Recreation		-
Debt Issuance Costs		6,933
Other Expenditures		-
Total expenditures		$ 4,510,722

Fort Bend County Municipal Utility District No. 134B

Schedule of Temporary Investments

May 31, 2021

	Interest Rate	Maturity Date	Face Amount	Accrued Interest Receivable
General Fund				
Certificates of Deposit				
No. 66000771	0.35%	06/21/21	$ 750,753	$ 1,523
No. 66001007	0.20%	08/20/21	5,100,000	2,795
No. 66001040	0.08%	10/20/21	2,580,628	232
No. 3116003384	0.25%	10/20/21	245,000	69
No. 1002887280	0.25%	11/18/21	245,000	22
			8,921,381	4,641
Debt Service Fund				
Certificates of Deposit				
No. 66001009	0.20%	08/20/21	3,445,000	1,888
No. 66000533	0.20%	08/20/21	1,880,000	1,030
			5,325,000	2,918
Totals			$ 14,246,381	$ 7,559

Fort Bend County Municipal Utility District No. 134B

Analysis of Taxes Levied and Receivable

Year Ended May 31, 2021

	Maintenance Taxes	Road Debt Service Taxes	Debt Service Taxes
Receivable, Beginning of Year	$ 28,992	$ 34,893	$ 25,709
Additions and corrections to prior years' taxes	(6,824)	(8,508)	(5,936)
Adjusted receivable, beginning of year	22,168	26,385	19,773
### **Original Tax Levy**	3,034,284	3,801,995	3,290,188
Additions and corrections	71,036	89,009	77,027
Adjusted tax levy	3,105,320	3,891,004	3,367,215
Total to be accounted for	3,127,488	3,917,389	3,386,988
Tax collections: Current year	(3,071,193)	(3,848,242)	(3,330,209)
Prior years	(21,548)	(25,635)	(19,239)
Receivable, end of year	$ 34,747	$ 43,512	$ 37,540
Receivable, by Years			
2020	$ 34,127	$ 42,762	$ 37,006
2019	515	613	460
2018	49	70	38
2017	56	67	36
Receivable, end of year	$ 34,747	$ 43,512	$ 37,540

Fort Bend County Municipal Utility District No. 134B

Analysis of Taxes Levied and Receivable (Continued)

Year Ended May 31, 2021

	2020	2019	2018	2017
Property Valuations				
Land	$ 189,048,571	$ 162,227,316	$ 111,480,329	$ 75,397,043
Improvements	614,107,353	411,705,308	260,873,546	132,537,781
Personal property	3,280,090	1,596,180	1,071,910	708,190
Exemptions	(58,239,789)	(26,400,420)	(8,712,856)	(6,606,880)
Total property valuations	$ 748,196,225	$ 549,128,384	$ 364,712,929	$ 202,036,134
Tax Rates per $100 Valuation				
Debt service tax rates	$ 0.4500	$ 0.4200	$ 0.3550	$ 0.3300
Road debt service tax rates	0.5200	0.5600	0.6450	0.6100
Maintenance tax rates*	0.4150	0.4700	0.4500	0.5100
Total tax rates per $100 valuation	$ 1.3850	$ 1.4500	$ 1.4500	$ 1.4500
Tax Levy	$ 10,363,539	$ 7,969,781	$ 5,288,341	$ 2,929,526
Percent of Taxes Collected to Taxes Levied**	99%	99%	99%	99%

*Maximum tax rate approved by voters: $1.50 on May 10, 2008

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

Fort Bend County Municipal Utility District No. 134B

Schedule of Long-term Debt Service Requirements by Years

May 31, 2021

Due During Fiscal Years Ending May 31	Road Series 2015 Principal Due September 1	Interest Due September 1, March 1	Total
2022	$ 105,000	$ 136,819	$ 241,819
2023	110,000	133,862	243,862
2024	115,000	130,625	245,625
2025	120,000	127,040	247,040
2026	125,000	123,118	248,118
2027	130,000	118,780	248,780
2028	140,000	113,915	253,915
2029	145,000	108,570	253,570
2030	150,000	102,965	252,965
2031	160,000	96,915	256,915
2032	165,000	90,415	255,415
2033	175,000	83,615	258,615
2034	185,000	76,415	261,415
2035	190,000	68,915	258,915
2036	200,000	61,115	261,115
2037	210,000	52,915	262,915
2038	220,000	44,315	264,315
2039	230,000	35,315	265,315
2040	240,000	25,915	265,915
2041	250,000	15,990	265,990
2042	265,000	5,432	270,432
Totals	$ 3,630,000	$ 1,752,966	$ 5,382,966

Fort Bend County Municipal Utility District No. 134B

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

May 31, 2021

	Series 2016		
Due During Fiscal Years Ending May 31	Principal Due September 1	Interest Due September 1, March 1	Total
2022	$ 165,000	$ 175,513	$ 340,513
2023	170,000	170,487	340,487
2024	175,000	165,313	340,313
2025	185,000	159,912	344,912
2026	190,000	154,288	344,288
2027	200,000	148,437	348,437
2028	205,000	142,363	347,363
2029	215,000	136,062	351,062
2030	225,000	129,322	354,322
2031	235,000	121,988	356,988
2032	245,000	114,034	359,034
2033	250,000	105,681	355,681
2034	265,000	96,991	361,991
2035	275,000	87,706	362,706
2036	285,000	77,728	362,728
2037	295,000	67,216	362,216
2038	305,000	56,341	361,341
2039	320,000	44,812	364,812
2040	330,000	32,625	362,625
2041	345,000	19,969	364,969
2042	360,000	6,750	366,750
Totals	$ 5,240,000	$ 2,213,538	$ 7,453,538

Fort Bend County Municipal Utility District No. 134B

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

May 31, 2021

		Road Series 2016	
Due During Fiscal Years Ending May 31	Principal Due September 1	Interest Due September 1, March 1	Total
2022	$ 380,000	$ 301,525	$ 681,525
2023	380,000	290,125	670,125
2024	380,000	278,725	658,725
2025	380,000	267,325	647,325
2026	380,000	254,025	634,025
2027	380,000	238,825	618,825
2028	380,000	223,625	603,625
2029	380,000	208,425	588,425
2030	380,000	193,225	573,225
2031	375,000	178,125	553,125
2032	375,000	163,126	538,126
2033	375,000	148,126	523,126
2034	375,000	133,125	508,125
2035	375,000	118,125	493,125
2036	375,000	103,123	478,123
2037	375,000	87,656	462,656
2038	375,000	71,719	446,719
2039	375,000	55,781	430,781
2040	375,000	39,844	414,844
2041	375,000	23,906	398,906
2042	375,000	7,969	382,969
Totals	$ 7,920,000	$ 3,386,450	$ 11,306,450

Fort Bend County Municipal Utility District No. 134B

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

May 31, 2021

Due During Fiscal Years Ending May 31	Series 2017 Principal Due September 1	Series 2017 Interest Due September 1, March 1	Series 2017 Total
2022	$ 340,000	$ 209,082	$ 549,082
2023	340,000	201,431	541,431
2024	340,000	193,781	533,781
2025	340,000	186,131	526,131
2026	340,000	177,207	517,207
2027	335,000	167,081	502,081
2028	335,000	157,031	492,031
2029	335,000	146,982	481,982
2030	335,000	136,931	471,931
2031	335,000	126,881	461,881
2032	335,000	116,831	451,831
2033	335,000	106,572	441,572
2034	335,000	96,103	431,103
2035	335,000	85,425	420,425
2036	335,000	74,538	409,538
2037	335,000	63,650	398,650
2038	335,000	52,553	387,553
2039	335,000	41,037	376,037
2040	335,000	29,313	364,313
2041	335,000	17,587	352,587
2042	335,000	5,863	340,863
Totals	$ 7,060,000	$ 2,392,010	$ 9,452,010

Fort Bend County Municipal Utility District No. 134B
Schedule of Long-term Debt Service Requirements by Years (Continued)
May 31, 2021

	Road Series 2017		
Due During Fiscal Years Ending May 31	Principal Due September 1	Interest Due September 1, March 1	Total
2022	$ 395,000	$ 261,378	$ 656,378
2023	395,000	243,110	638,110
2024	395,000	224,840	619,840
2025	395,000	206,572	601,572
2026	390,000	193,294	583,294
2027	390,000	185,006	575,006
2028	390,000	175,988	565,988
2029	390,000	165,993	555,993
2030	390,000	155,513	545,513
2031	390,000	144,300	534,300
2032	390,000	132,600	522,600
2033	390,000	120,900	510,900
2034	390,000	109,200	499,200
2035	390,000	97,256	487,256
2036	390,000	85,069	475,069
2037	390,000	72,637	462,637
2038	390,000	59,963	449,963
2039	390,000	47,044	437,044
2040	390,000	33,881	423,881
2041	390,000	20,475	410,475
2042	390,000	6,825	396,825
Totals	$ 8,210,000	$ 2,741,844	$ 10,951,844

Fort Bend County Municipal Utility District No. 134B

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

May 31, 2021

	Series 2018		
Due During Fiscal Years Ending May 31	Principal Due September 1	Interest Due September 1, March 1	Total
2022	$ 430,000	$ 287,319	$ 717,319
2023	430,000	274,419	704,419
2024	430,000	261,519	691,519
2025	430,000	248,619	678,619
2026	430,000	235,719	665,719
2027	430,000	222,819	652,819
2028	430,000	209,919	639,919
2029	425,000	197,094	622,094
2030	425,000	184,344	609,344
2031	425,000	171,328	596,328
2032	425,000	157,780	582,780
2033	425,000	143,703	568,703
2034	425,000	129,093	554,093
2035	425,000	114,219	539,219
2036	425,000	99,344	524,344
2037	425,000	84,469	509,469
2038	425,000	69,594	494,594
2039	425,000	54,453	479,453
2040	425,000	39,047	464,047
2041	425,000	23,640	448,640
2042	425,000	7,968	432,968
Totals	$ 8,960,000	$ 3,216,409	$ 12,176,409

Fort Bend County Municipal Utility District No. 134B

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

May 31, 2021

		Road Series 2018		
Due During Fiscal Years Ending May 31		Principal Due September 1	Interest Due September 1, March 1	Total
2022		$ 480,000	$ 374,994	$ 854,994
2023		480,000	355,794	835,794
2024		480,000	336,594	816,594
2025		480,000	317,394	797,394
2026		480,000	300,594	780,594
2027		480,000	285,594	765,594
2028		480,000	269,994	749,994
2029		480,000	253,794	733,794
2030		480,000	236,993	716,993
2031		475,000	219,688	694,688
2032		475,000	201,875	676,875
2033		475,000	183,469	658,469
2034		475,000	164,469	639,469
2035		475,000	145,469	620,469
2036		475,000	126,469	601,469
2037		475,000	107,468	582,468
2038		475,000	88,172	563,172
2039		475,000	68,578	543,578
2040		475,000	48,984	523,984
2041		475,000	29,390	504,390
2042		475,000	9,796	484,796
	Totals	$ 10,020,000	$ 4,125,572	$ 14,145,572

Fort Bend County Municipal Utility District No. 134B

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

May 31, 2021

		Series 2019	
Due During Fiscal Years Ending May 31	Principal Due September 1	Interest Due September 1, March 1	Total
2022	$ 540,000	$ 314,550	$ 854,550
2023	540,000	303,750	843,750
2024	540,000	292,950	832,950
2025	540,000	282,150	822,150
2026	540,000	271,350	811,350
2027	540,000	260,550	800,550
2028	540,000	249,750	789,750
2029	540,000	238,950	778,950
2030	540,000	228,150	768,150
2031	540,000	216,675	756,675
2032	540,000	204,188	744,188
2033	540,000	191,025	731,025
2034	540,000	177,524	717,524
2035	540,000	164,025	704,025
2036	540,000	150,188	690,188
2037	540,000	135,675	675,675
2038	540,000	120,825	660,825
2039	540,000	105,300	645,300
2040	540,000	89,100	629,100
2041	540,000	72,900	612,900
2042	540,000	56,700	596,700
2043	540,000	40,500	580,500
2044	540,000	24,300	564,300
2045	540,000	8,100	548,100
Totals	$ 12,960,000	$ 4,199,175	$ 17,159,175

Fort Bend County Municipal Utility District No. 134B

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

May 31, 2021

	Road Series 2019		
Due During Fiscal Years Ending May 31	Principal Due September 1	Interest Due September 1, March 1	Total
2022	$ 500,000	$ 307,500	$ 807,500
2023	500,000	285,000	785,000
2024	500,000	265,625	765,625
2025	500,000	252,500	752,500
2026	500,000	242,500	742,500
2027	500,000	232,500	732,500
2028	500,000	222,500	722,500
2029	500,000	212,500	712,500
2030	500,000	202,500	702,500
2031	500,000	192,188	692,188
2032	500,000	181,250	681,250
2033	500,000	170,000	670,000
2034	500,000	158,125	658,125
2035	500,000	145,625	645,625
2036	500,000	133,125	633,125
2037	500,000	120,625	620,625
2038	500,000	107,812	607,812
2039	500,000	94,375	594,375
2040	500,000	80,625	580,625
2041	500,000	66,875	566,875
2042	500,000	52,500	552,500
2043	500,000	37,500	537,500
2044	500,000	22,500	522,500
2045	500,000	7,500	507,500
Totals	$ 12,000,000	$ 3,793,750	$ 15,793,750

Fort Bend County Municipal Utility District No. 134B
Schedule of Long-term Debt Service Requirements by Years (Continued)
May 31, 2021

	Road Series 2020		
Due During Fiscal Years Ending May 31	Principal Due September 1	Interest Due September 1, March 1	Total
2022	$ 210,000	$ 100,975	$ 310,975
2023	210,000	96,775	306,775
2024	210,000	92,575	302,575
2025	210,000	88,375	298,375
2026	210,000	84,175	294,175
2027	210,000	79,975	289,975
2028	210,000	75,775	285,775
2029	210,000	71,575	281,575
2030	210,000	67,375	277,375
2031	210,000	63,175	273,175
2032	210,000	58,975	268,975
2033	210,000	54,775	264,775
2034	210,000	50,575	260,575
2035	210,000	46,375	256,375
2036	210,000	42,175	252,175
2037	210,000	37,975	247,975
2038	205,000	33,825	238,825
2039	205,000	29,597	234,597
2040	205,000	25,241	230,241
2041	205,000	20,756	225,756
2042	205,000	16,144	221,144
2043	205,000	11,531	216,531
2044	205,000	6,919	211,919
2045	205,000	2,306	207,306
Totals	$ 5,000,000	$ 1,257,919	$ 6,257,919

Fort Bend County Municipal Utility District No. 134B

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

May 31, 2021

Due During Fiscal Years Ending May 31	Series 2020 Principal Due September 1	Series 2020 Interest Due September 1, March 1	Series 2020 Total
2022	$ 480,000	$ 228,175	$ 708,175
2023	480,000	218,575	698,575
2024	480,000	208,975	688,975
2025	480,000	199,375	679,375
2026	480,000	189,775	669,775
2027	480,000	180,175	660,175
2028	480,000	170,575	650,575
2029	480,000	160,975	640,975
2030	480,000	151,375	631,375
2031	480,000	141,775	621,775
2032	480,000	132,175	612,175
2033	480,000	122,575	602,575
2034	480,000	112,975	592,975
2035	480,000	103,375	583,375
2036	480,000	93,775	573,775
2037	480,000	84,175	564,175
2038	480,000	74,575	554,575
2039	480,000	64,975	544,975
2040	480,000	55,375	535,375
2041	480,000	45,475	525,475
2042	475,000	35,328	510,328
2043	475,000	25,234	500,234
2044	475,000	15,141	490,141
2045	475,000	5,047	480,047
Totals	$ 11,500,000	$ 2,819,950	$ 14,319,950

Fort Bend County Municipal Utility District No. 134B

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

May 31, 2021

		Road Series 2020A		
Due During Fiscal Years Ending May 31		Principal Due September 1	Interest Due September 1, March 1	Total
2022		$ 330,000	$ 186,288	$ 516,288
2023		335,000	172,988	507,988
2024		335,000	159,588	494,588
2025		335,000	147,863	482,863
2026		335,000	137,813	472,813
2027		335,000	129,438	464,438
2028		335,000	122,738	457,738
2029		335,000	116,038	451,038
2030		335,000	109,338	444,338
2031		335,000	102,638	437,638
2032		335,000	95,938	430,938
2033		335,000	89,238	424,238
2034		335,000	82,538	417,538
2035		335,000	75,838	410,838
2036		335,000	69,138	404,138
2037		335,000	62,438	397,438
2038		335,000	55,738	390,738
2039		330,000	48,881	378,881
2040		330,000	41,860	371,860
2041		330,000	34,650	364,650
2042		330,000	27,225	357,225
2043		330,000	19,594	349,594
2044		330,000	11,756	341,756
2045		330,000	3,919	333,919
	Totals	$ 8,000,000	$ 2,103,481	$ 10,103,481

Fort Bend County Municipal Utility District No. 134B

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

May 31, 2021

	Road Series 2021		
Due During Fiscal Years Ending May 31	Principal Due September 1	Interest Due September 1, March 1	Total
2022	$ -	$ 102,000	$ 102,000
2023	200,000	98,500	298,500
2024	200,000	91,500	291,500
2025	200,000	84,500	284,500
2026	200,000	77,500	277,500
2027	200,000	70,500	270,500
2028	200,000	66,000	266,000
2029	200,000	64,000	264,000
2030	200,000	62,000	262,000
2031	200,000	60,000	260,000
2032	200,000	57,875	257,875
2033	200,000	55,500	255,500
2034	200,000	52,875	252,875
2035	200,000	50,000	250,000
2036	200,000	46,875	246,875
2037	200,000	43,250	243,250
2038	200,000	39,250	239,250
2039	200,000	35,250	235,250
2040	200,000	31,250	231,250
2041	200,000	27,250	227,250
2042	200,000	23,250	223,250
2043	200,000	19,125	219,125
2044	200,000	14,875	214,875
2045	200,000	10,625	210,625
2046	200,000	6,375	206,375
2047	200,000	2,125	202,125
Totals	$ 5,000,000	$ 1,292,250	$ 6,292,250

Fort Bend County Municipal Utility District No. 134B

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

May 31, 2021

Due During Fiscal Years Ending May 31	Annual Requirements For All Series: Total Principal Due	Total Interest Due	Total Principal and Interest Due
2022	$ 4,355,000	$ 2,986,118	$ 7,341,118
2023	4,570,000	2,844,816	7,414,816
2024	4,580,000	2,702,610	7,282,610
2025	4,595,000	2,567,756	7,162,756
2026	4,600,000	2,441,358	7,041,358
2027	4,610,000	2,319,680	6,929,680
2028	4,625,000	2,200,173	6,825,173
2029	4,635,000	2,080,958	6,715,958
2030	4,650,000	1,960,031	6,610,031
2031	4,660,000	1,835,676	6,495,676
2032	4,675,000	1,707,062	6,382,062
2033	4,690,000	1,575,179	6,265,179
2034	4,715,000	1,440,008	6,155,008
2035	4,730,000	1,302,353	6,032,353
2036	4,750,000	1,162,662	5,912,662
2037	4,770,000	1,020,149	5,790,149
2038	4,785,000	874,682	5,659,682
2039	4,805,000	725,398	5,530,398
2040	4,825,000	573,060	5,398,060
2041	4,850,000	418,863	5,268,863
2042	4,875,000	261,750	5,136,750
2043	2,250,000	153,484	2,403,484
2044	2,250,000	95,491	2,345,491
2045	2,250,000	37,497	2,287,497
2046	200,000	6,375	206,375
2047	200,000	2,125	202,125
Totals	$ 105,500,000	$ 35,295,314	$ 140,795,314

Fort Bend County Municipal Utility District No. 134B

Changes in Long-term Bonded Debt

Year Ended May 31, 2021

	Bond			
	Road Series 2015	Series 2016	Road Series 2016	Series 2017
Interest rates	2.75% to 4.10%	2.00% to 3.75%	3.00% to 4.25%	2.25% to 3.50%
Dates interest payable	September 1/ March 1	September 1/ March 1	September 1/ March 1	September 1/ March 1
Maturity dates	September 1, 2021/2041	September 1, 2021/2041	September 1, 2021/2041	September 1, 2021/2041
Bonds outstanding, beginning of current year	$ 3,730,000	$ 5,400,000	$ 8,300,000	$ 7,400,000
Bonds sold during current year	-	-	-	-
Retirements, principal	100,000	160,000	380,000	340,000
Bonds outstanding, end of current year	$ 3,630,000	$ 5,240,000	$ 7,920,000	$ 7,060,000
Interest paid during current year	$ 139,638	$ 179,587	$ 312,925	$ 216,731

Paying agent's name and address:

Road Series 2015 - The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Series 2016 - The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Road Series 2016 - The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Series 2017 - The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Road Series 2017 - The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Series 2018 - The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Road Series 2018 - The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Series 2019 - The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Road Series 2019 - The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Road Series 2020 - The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Series 2020 - The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Road Series 2020A - The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Road Series 2021 - The Bank of New York Mellon Trust Company, N.A., Dallas, Texas

Bond authority:	Tax Bonds	Road Bonds	Park and Recreational Bonds	Refunding Bonds
Amount authorized by voters	$ 185,000,000	$ 125,000,000	$ 47,000,000	0
Amount issued	$ 48,325,000	$ 62,940,000	$ -	0
Remaining to be issued	$ 136,675,000	$ 62,060,000	$ 47,000,000	0

Debt service fund cash and temporary investment balances as of May 31, 2021:	$ 8,205,730
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 5,415,204

Issues

Road Series 2017	Series 2018	Road Series 2018	Series 2019	Road Series 2019	Road Series 2020
2.125% to 4.625%	3.00% to 3.75%	3.000% to 4.125%	2.00% to 3.00%	2.00% to 4.50%	2.00% to 2.25%
September 1/ March 1	September 1/ March 1	September 1/ March 1	September 1/ March 1	September 1/ March 1	September 1/ March 1
September 1, 2021/2041	September 1, 2021/2041	September 1, 2021/2041	September 1, 2021/2044	September 1, 2021/2044	September 1, 2021/2044
$ 8,605,000	$ 9,390,000	$ 10,500,000	$ 13,500,000	$ 12,000,000	$ 5,000,000
-	-	-	-	-	-
395,000	430,000	480,000	540,000	-	-
$ 8,210,000	$ 8,960,000	$ 10,020,000	$ 12,960,000	$ 12,000,000	$ 5,000,000
$ 279,647	$ 300,219	$ 394,194	$ 325,350	$ 318,750	$ 103,075

Fort Bend County Municipal Utility District No. 134B

Changes in Long-term Bonded Debt (Continued)

Year Ended May 31, 2021

	Bond Issues (Continued)			
	Series 2020	Road Series 2020A	Road Series 2021	Totals
Interest rates	2.000% to 2.125%	2.00% to 4.00%	1.00% to 3.50%	
Dates interest payable	September 1/ March 1	September 1/ March 1	September 1/ March 1	
Maturity dates	September 1, 2021/2044	September 1, 2021/2044	September 1, 2022/2046	
Bonds outstanding, beginning of current year	$ -	$ -	$ -	$ 83,825,000
Bonds sold during current year	11,500,000	8,000,000	5,000,000	24,500,000
Retirements, principal	-	-	-	2,825,000
Bonds outstanding, end of current year	$ 11,500,000	$ 8,000,000	$ 5,000,000	$ 105,500,000
Interest paid during current year	$ 116,488	$ 48,222	$ 0	$ 2,734,826

Fort Bend County Municipal Utility District No. 134B

Comparative Schedule of Revenues and Expenditures – General Fund

Five Years Ended May 31,

	Amounts				
	2021	2020	2019	2018	2017
General Fund					
Revenues					
Property taxes	$ 3,092,741	$ 2,616,982	$ 1,749,046	$ 1,144,026	$ 565,861
Water service	684,406	601,373	425,616	389,785	272,341
Sewer service	1,116,460	938,016	705,315	473,770	235,945
Surface water conversion	1,630,137	1,297,751	735,649	645,970	331,581
Penalty and interest	7,145	14,987	19,387	10,342	7,034
Tap connection and inspection fees	946,485	960,694	1,076,663	674,306	738,317
Interest income	26,862	97,617	57,986	11,588	3,870
Other income	46,427	25,494	37,233	1,485	2,249
Total revenues	7,550,663	6,552,914	4,806,895	3,351,272	2,157,198
Expenditures					
Service operations:					
Purchased services	2,462,658	2,148,232	1,206,916	654,985	277,751
Professional fees	114,014	156,333	131,926	131,435	135,963
Contracted services	765,686	365,203	345,755	313,828	267,328
Utilities	3,724	3,355	4,260	13,589	15,556
Repairs and maintenance	445,413	457,645	415,409	260,999	264,980
Other expenditures	45,256	34,417	47,261	24,196	17,463
Tap connections	389,853	411,938	375,468	271,441	339,242
Capital outlay	277,185	1,049,382	239,008	-	-
Debt service, debt issuance costs	6,933	-	36,172	40,822	-
Total expenditures	4,510,722	4,626,505	2,802,175	1,711,295	1,318,283
Excess of Revenues Over Expenditures	3,039,941	1,926,409	2,004,720	1,639,977	838,915
Other Financing Sources (Uses)					
Interfund transfers in (out)	-	36,172	40,822	-	(3,375)
Excess of Revenues and Transfers In Over Expenditures and Transfers Out	3,039,941	1,962,581	2,045,542	1,639,977	835,540
Fund Balance, Beginning of Year	6,999,006	5,036,425	2,990,883	1,350,906	515,366
Fund Balance, End of Year	$ 10,038,947	$ 6,999,006	$ 5,036,425	$ 2,990,883	$ 1,350,906
Total Active Retail Water Connections	2,289	1,881	1,475	1,057	643
Total Active Retail Wastewater Connections	2,182	1,789	1,406	1,000	598

Percent of Fund Total Revenues				
2021	2020	2019	2018	2017
40.9 %	39.9 %	36.4 %	34.1 %	26.2 %
9.1	9.2	8.9	11.6	12.6
14.8	14.3	14.7	14.2	11.0
21.6	19.8	15.3	19.3	15.4
0.1	0.2	0.4	0.3	0.3
12.5	14.7	22.4	20.1	34.2
0.4	1.5	1.2	0.4	0.2
0.6	0.4	0.7	0.0	0.1
100.0	100.0	100.0	100.0	100.0
32.6	32.8	25.1	19.5	12.9
1.5	2.4	2.7	3.9	6.3
10.1	5.6	7.2	9.4	12.4
0.0	0.0	0.1	0.4	0.7
5.9	7.0	8.6	7.8	12.3
0.6	0.5	1.0	0.7	0.8
5.2	6.3	7.8	8.1	15.7
3.7	16.0	5.0	-	-
0.1	-	0.8	1.2	-
59.7	70.6	58.3	51.0	61.1
40.3 %	29.4 %	41.7 %	49.0 %	38.9 %

Fort Bend County Municipal Utility District No. 134B
Comparative Schedule of Revenues and Expenditures – Debt Service Fund
Five Years Ended May 31,

	Amounts				
	2021	2020	2019	2018	2017
Debt Service Fund					
Revenues					
Property taxes	$ 7,223,325	$ 5,365,675	$ 3,639,469	$ 1,889,769	$ 724,131
Penalty and interest	28,534	30,402	24,198	10,301	8,731
Interest income	23,383	56,965	34,271	13,025	1,580
Total revenues	7,275,242	5,453,042	3,697,938	1,913,095	734,442
Expenditures					
Current:					
Professional fees	5,730	-	-	-	-
Contracted services	32,028	42,835	29,977	15,733	6,071
Other expenditures	362	400	340	391	430
Debt service:					
Principal retirement	2,825,000	1,360,000	955,000	625,000	-
Interest and fees	2,713,577	2,143,095	1,455,232	868,860	275,244
Total expenditures	5,576,697	3,546,330	2,440,549	1,509,984	281,745
Excess of Revenues Over Expenditures	1,698,545	1,906,712	1,257,389	403,111	452,697
Other Financing Sources					
General obligation bonds issued	334,975	433,825	153,334	542,906	733,400
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	2,033,520	2,340,537	1,410,723	946,017	1,186,097
Fund Balance, Beginning of Year	6,151,201	3,810,664	2,399,941	1,453,924	267,827
Fund Balance, End of Year	$ 8,184,721	$ 6,151,201	$ 3,810,664	$ 2,399,941	$ 1,453,924

Percent of Fund Total Revenues				
2021	2020	2019	2018	2017
99.3 %	98.4 %	98.4 %	98.8 %	98.6 %
0.4	0.6	0.7	0.5	1.2
0.3	1.0	0.9	0.7	0.2
100.0	100.0	100.0	100.0	100.0
0.1	-	-	-	-
0.4	0.8	0.8	0.8	0.8
0.0	0.0	0.0	0.0	0.1
38.8	24.9	25.8	32.7	-
37.3	39.3	39.4	45.4	37.5
76.6	65.0	66.0	78.9	38.4
23.4 %	35.0 %	34.0 %	21.1 %	61.6 %

Fort Bend County Municipal Utility District No. 134B

Board Members, Key Personnel and Consultants

Year Ended May 31, 2021

Complete District mailing address:	Fort Bend County Municipal Utility District No. 134B Coats Rose, P.C. 9 Greenway Plaza, Suite 1000 Houston, Texas 77046-3653	
District business telephone number:	713.651.0111	
Submission date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):		May 20, 2021
Limit on fees of office that a director may receive during a fiscal year:		$ 7,200

Board Members	Term of Office Elected & Expires	Fees*	Expense Reimbursements	Title at Year-end
Jacob R. Hart	Elected 05/19-05/23	$ 1,800	$ 0	President
Peter Van Liew	Elected 05/19-05/23	2,250	0	Vice President
Matthew Shepard	Appointed 01/21-05/23	1,050	0	Secretary
Scott Jaehne	Appointed 05/21-05/25	0	0	Assistant Secretary
Gary P. Williams	Appointed 05/21-05/25	0	0	Assistant Secretary
Rebecca Stacy	Appointed 12/19-05/21	1,950	0	Resigned
Timothy P. Williamson	Elected 05/19-01/21	300	0	Resigned
Jake Wright	Appointed 12/19-05/21	2,250	69	Resigned

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

Fort Bend County Municipal Utility District No. 134B
Board Members, Key Personnel and Consultants (Continued)
Year Ended May 31, 2021

Consultants	Date Hired	Fees and Expense Reimbursements	Title
BKD, LLP	07/16/15	$ 60,100	Auditor
Coats Rose, P.C.	02/06/08	84,092 540,521	General Counsel Bond Counsel
Fort Bend Central Appraisal District	Legislative Action	30,617	Appraiser
Inframark, LLC	08/21/14	1,064,264	Operator
L&S District Services, LLC	02/06/08	21,248	Bookkeeper
LJA Engineering, Inc.	01/30/12	84,863	Engineer
Masterson Advisors LLC	04/26/18	466,770	Financial Advisor
Carmen P. Turner, MPA	05/27/08	982	Tax Assessor/ Collector

Investment Officer			
Debra R. Loggins	02/06/08	N/A	Bookkeeper

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

Form 500NY (5/90)