OFFICIAL STATEMENT DATED MARCH 1, 2022

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

The Bonds have been designated as "qualified tax-exempt obligations" for financial institutions. See "TAX MATTERS – Qualified Tax-Exempt Obligations."

NEW ISSUE—BOOK-ENTRY ONLY
CUSIP No. 34683A

RATINGS: Underlying "BBB+" (stable outlook) S&P
Insured "AA" (stable outlook) S&P
See "BOND INSURANCE" and "MUNICIPAL BOND RATING" herein

$8,565,000

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 57

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

UNLIMITED TAX REFUNDING BONDS SERIES 2022

Dated: April 7, 2022 **Due: April 1 (as shown below)**

Interest on the $8,565,000 Unlimited Tax Refunding Bonds, Series 2022 (the "Bonds") will accrue from April 7, 2022, and will be payable on October 1 and April 1 of each year, commencing October 1, 2022. The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC"), pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of $5,000 or integral multiples thereof. **No physical delivery of the Bonds will be made to the owners thereof.** Principal of and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "BOOK ENTRY-ONLY SYSTEM" herein. The initial Paying Agent/Registrar is The Bank of New York Mellon Trust Company, N.A., Dallas, Texas. See "THE BONDS – Paying Agent/Registrar."

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by Assured Guaranty Municipal Corp. ("AGM" or the "Bond Insurer").

MATURITIES, AMOUNTS, INTEREST RATES AND PRICES

Principal Amount	Maturity	Interest Rate	Yield to Maturity(a)	Principal Amount	Maturity	Interest Rate	Yield to Maturity(a)
$305,000	2023	4.00%	1.11%	$485,000	2032(b)	4.00%	2.33%
$320,000	2024	4.00%	1.46%	$515,000	2033(b)	4.00%	2.37%
$320,000	2025	4.00%	1.66%	$540,000	2034(b)	4.00%	2.41%
$345,000	2026	4.00%	1.83%	$565,000	2035(b)	4.00%	2.43%
$375,000	2027	4.00%	1.94%	$590,000	2036(b)	4.00%	2.45%
$380,000	2028	4.00%	2.06%	$615,000	2037(b)	3.00%	2.94%
$405,000	2029	4.00%	2.18%	$630,000	2038(b)	3.00%	2.96%
$430,000	2030	4.00%	2.26%	$645,000	2039(b)	3.00%	2.98%
$460,000	2031	4.00%	2.29%	$640,000	2040(b)	3.00%	3.00%

(a) The initial reoffering yields are established by and are the sole responsibility of the Underwriters (hereinafter defined) and may be subsequently changed.
(b) The Bonds maturing on or after April 1, 2032, are subject to redemption, in whole or from time to time in part, at the option of the District (hereinafter defined), on April 1, 2031, or on any date thereafter, at a price equal to the par value thereof plus accrued interest from the most recent interest payment date to the date fixed for redemption. See "THE BONDS – Optional Redemption."

The proceeds of the Bonds will be used by Fort Bend County Municipal Utility District No. 57 (the "District") to currently refund certain of the District's Unlimited Tax Bonds, Series 2014 and to pay issuance and administrative expenses related to the Bonds. See "PLAN OF FINANCING."

The Bonds, when issued, will constitute valid and binding obligations of the District and will be payable from the proceeds of a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property within the District. See "THE BONDS – Source of and Security for Payment." The Bonds are obligations solely of the District and are not obligations of the State of Texas, Fort Bend County, the City of Houston, or any entity other than the District. Neither the faith and credit nor the taxing power of the State of Texas, Fort Bend County, or the City of Houston is pledged to the payment of the principal of or interest on the Bonds. **The Bonds are subject to certain investment considerations described under the caption "RISK FACTORS."**

The Bonds are offered when, as and if issued by the District, subject to approval by the Attorney General of Texas and the approval of certain legal matters by Allen Boone Humphries Robinson LLP, Houston, Texas, Bond Counsel. Certain legal matters will be passed upon for the Underwriters by Norton Rose Fulbright US LLP, Houston, Texas, Underwriters' Counsel. Delivery of the Bonds is expected through the facilities of DTC on or about April 7, 2022.

SAMCO CAPITAL **RBC CAPITAL MARKETS**

TABLE OF CONTENTS

USE OF INFORMATION IN OFFICIAL STATEMENT

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

This Official Statement is not to be used in connection with 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 registered or qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Any information and expressions of opinion herein contained are subject to change 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.

All of the summaries of the statutes, Resolution, contracts, audited financial statements, engineering, and other related reports set forth in this Official Statement are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents, copies of which are available from Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027, upon payment of duplication costs.

This Official Statement contains, in part, estimates, assumptions, and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates, assumptions, or matters of opinion, or 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 Initial Purchaser.

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

Assured Guaranty Municipal Corp. ("AGM" or the "Bond Insurer") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM, supplied by AGM and presented under the heading "BOND INSURANCE" and "APPENDIX B – Specimen Municipal Bond Insurance Policy."

The following statement is provided by the Underwriters. In accordance with their responsibilities under the federal securities laws, the Underwriters have reviewed the information in this Official Statement but do not guarantee its accuracy or completeness.

UNDERWRITING

Award of the Bonds

The Bonds are being purchased by SAMCO Capital Markets, Inc. and RBC Capital Markets, LLC (collectively, the "Underwriters") pursuant to a proposal submitted to the District at a price of $9,178,275.50 which represents the principal amount of the Bonds $8,565,000.00 plus an original issue premium of $670,232.75 less an Underwriters' discount of $56,957.25. Such price produces a net effective interest rate of 3.063044%.

The Underwriters may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into unit investment trusts) and others at prices lower than the public offering price stated on the cover page hereof. The initial offering price may be changed from time to time by the Underwriters.

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

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

Prices and Marketability

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

THE PRICES AND OTHER TERMS RESPECTING THE OFFERING AND SALE OF THE BONDS MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS AFTER THE BONDS ARE RELEASED FOR SALE, AND THE BONDS MAY BE OFFERED AND SOLD AT PRICES OTHER THAN THE INITIAL OFFERING PRICES, INCLUDING SALES TO DEALERS WHO MAY SELL THE BONDS INTO INVESTMENT ACCOUNTS. IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS 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.

Securities Laws

No registration statement relating to the Bonds has been filed with the Securities and Exchange Commission ("SEC") 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. 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.

CONTINUING DISCLOSURE OF INFORMATION - SEC RULE 15c2-12

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

Annual Reports

The District will provide certain updated financial information and operating data to EMMA annually.

The information to be updated with respect to the District includes the quantitative financial information and operating data of the general type included in "DISTRICT DEBT," "DISTRICT TAX DATA," and "APPENDIX A" (Audited Financial Statements of the District) of this Official Statement. 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. The District will provide the updated information to EMMA.

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

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

Event Notices

The District will provide timely notices of certain events to the MRSB, but in no event will such notices be provided to the MSRB in excess of ten business days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds; (7) modifications to rights of beneficial owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the District or other obligated person; (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person or the sale of all or substantially all of the assets of the

District or other obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or other obligated person, any of which affect beneficial owners of the Bonds, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District or other obligated person, any of which reflect financial difficulties. The terms “obligated person” and “financial obligation” when used in this paragraph shall have the meanings ascribed to them under the Rule. The term “material” when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Resolution makes any provisions for debt service reserves or liquidity enhancement. In addition, the District will provide timely notice of any failure by the District to provide financial information, operating data, or financial statements in accordance with its agreement described above under “Annual Reports.”

Limitations and Amendments

The District has agreed to update information and to provide notices of material events only as described above. The District has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The District makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The District disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement although holders and 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 to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or 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 described herein in compliance with the Rule taking into account any amendments and interpretations of the Rule to the date of such amendment, as well as changed circumstances, and either the holders of a majority in aggregate principal amount of the outstanding Bonds consent 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 beneficial owners of the Bonds. The District may also amend or repeal the agreement if the SEC amends or repeals the applicable provisions of such rule or a court of final jurisdiction determines that such provisions are invalid but, in either case, only to the extent that its right to do so would not prevent the Underwriters from lawfully purchasing the Bonds in the offering described herein. If the District so amends the agreement, it has agreed to include with any financial information or operating data next provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

Compliance with Prior Undertakings

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

MUNICIPAL BOND RATING

S&P Global Ratings (“S&P”) has assigned an underlying municipal bond rating of “BBB+” (stable outlook) to the Bonds based upon the District’s underlying credit without bond insurance. An explanation of the significance of such rating may be obtained from S&P. The rating reflects only the view of S&P, and the District makes no representation of the appropriateness of such rating. The underlying rating of the District to be released by S&P will be maintained by S&P in addition to the rating by virtue of bond insurance. See “BOND INSURANCE.” The District can make no assurance that the S&P rating will continue for any period of time or that such rating will not be revised downward or withdrawn entirely by S&P if in the judgment of S&P circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

S&P has assigned its municipal bond rating of “AA” (stable outlook) to the Bonds with the understanding that upon delivery of the Bonds, a municipal bond insurance policy insuring the timely payment of the principal of and interest on the Bonds will be issued by AGM. The District can make no assurance that S&P’s rating will continue for any period of time or that such rating will not be revised downward or withdrawn entirely by S&P if in the judgment of S&P circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds. See “BOND INSURANCE.”

BOND INSURANCE

Bond Insurance Policy

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

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

Assured Guaranty Municipal Corp.

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

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

Current Financial Strength Ratings

On October 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, 2021.

Capitalization of AGM

At December 31, 2021:

- The policyholders' surplus of AGM was approximately $3,053 million.
- The contingency reserve of AGM was approximately $877 million.
- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately $2,127 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 document filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof: the Annual Report on Form 10-K for the fiscal year ended December 31, 2021 (filed by AGL with the SEC on February 25, 2022).

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

Miscellaneous Matters

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

OFFICIAL STATEMENT SUMMARY

The following material is a summary of certain information contained herein and is qualified in its entirety by the detailed information appearing elsewhere in this Official Statement. The reader should refer particularly to sections that are indicated for more complete information.

THE BONDS

Description: The $8,565,000 Unlimited Tax Refunding Bonds, Series 2022 (the "Bonds"), are dated April 7, 2022. The Bonds mature on April 1 in the years as shown in the table on the cover page of this Official Statement. The Bonds are issued pursuant to Article XVI, Section 59 of the Texas Constitution, the general laws of the State of Texas, as amended, particularly, Chapters 49 and 54 of the Texas Water Code, a resolution authorizing the issuance of the Bonds (the "Bond Resolution") adopted by the Board of Directors of Fort Bend County Municipal Utility District No. 57 (the "District"), Chapter 1207, Texas Government Code, as amended, an election held within the District, and City of Houston Ordinance No. 97-416. See "THE BONDS."

Source of Payment: The Bonds are payable from a continuing direct annual ad valorem tax levied against all taxable property within the District, which, under Texas law, is not limited as to rate or amount. The Bonds are obligations of the District and are not obligations of the State of Texas, Fort Bend County, the City of Houston, or any other political subdivision or agency. See "THE BONDS – Source of and Security for Payment."

Redemption Provisions: The Bonds maturing on or after April 1, 2032, are subject to early redemption, in whole or from time to time in part, on April 1, 2031, or on any date thereafter at the option of the District at a price of par plus accrued interest to the date of redemption. See "THE BONDS – Optional Redemption."

Book-Entry-Only System: The Bonds will be initially registered and delivered only to Cede & Co., the nominee of DTC pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of $5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the beneficial owners thereof. Principal of and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM."

Plan of Financing: Proceeds from the sale of the Bonds will be used by the District to pay issuance and administrative expenses related to the Bonds and to currently refund certain of the District's Unlimited Tax Bonds, Series 2014 in an aggregate principal amount of $8,920,000 (the "Refunded Bonds") in order to achieve present value savings in the District's debt service expense. See "PLAN OF FINANCING."

Payment Record: The District has previously issued twelve (12) series of unlimited tax bonds and four (4) series of unlimited tax refunding bonds, of which $43,875,000 principal amount was outstanding as of January 1, 2022 (the "Outstanding Bonds"). The District has never defaulted on the payment of principal of or interest on the Outstanding Bonds. See "DISTRICT DEBT."

Qualified Tax Exempt Obligations: The Bonds have been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b) of the Internal Revenue Code of 1986, as amended. See "TAX MATTERS – Qualified Tax-Exempt Obligations."

Municipal Bond Rating: S&P has assigned an underlying municipal bond rating of "BBB+" (stable outlook) to the Bonds based upon the District's underlying credit without bond insurance. An explanation of the significance of such rating may be obtained from S&P. The rating reflects only the view of S&P, and the District makes no representation of the appropriateness of such rating. See "MUNICIPAL BOND RATING."

Municipal Bond Insurance and Rating: S&P is expected to assign its municipal bond rating of "AA" (stable outlook) to the Bonds with the understanding that upon delivery of the Bonds, a municipal bond insurance policy insuring the timely payment of the principal of and interest on the Bonds will be issued by AGM. See "BOND INSURANCE," "MUNICIPAL BOND RATING," and "APPENDIX B – Specimen Municipal Bond Insurance Policy."

Legal Opinion: Allen Boone Humphries Robinson LLP, Bond Counsel, Houston, Texas. See "LEGAL MATTERS" and "TAX MATTERS."

Paying Agent/Registrar: The Bank of New York Mellon Trust Company, N.A., Dallas, Texas. See "THE BONDS – Paying Agent/Registrar."

Verification Agent: Robert Thomas CPA, LLC, Minneapolis, Minnesota. See "VERIFICATION OF ACCURACY OF MATHEMATICAL COMPUTATIONS."

Risk Factors: The Bonds are subject to certain investment considerations as set forth in this Official Statement. Prospective purchasers should carefully examine this Official Statement with respect to the investment security of the Bonds, particularly the sections captioned "RISK FACTORS" and "LEGAL MATTERS."

THE DISTRICT

Description: The District is a municipal utility district created on November 21, 1984, by an order of the Texas Water Commission, now known as the Texas Commission on Environmental Quality (the "TCEQ"). The District was created pursuant to the authority of Article XVI, Section 59, of the Texas Constitution, and operates pursuant to Chapters 49 and 54, Texas Water Code. The District is subject to the continuing supervision of the TCEQ. 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; and the control and diversion of storm water. Under certain limited circumstances the District also is authorized to construct, develop, and maintain park and recreational facilities. See "THE DISTRICT – Authority."

The District, as it was originally created, included approximately 550 acres. Since its creation, the District has excluded certain tracts of land and annexed other tracts of land, and the District currently includes approximately 638 acres. The District is located within the extraterritorial jurisdiction of the City of Houston, Texas (the "City"). The District is located south of Interstate Highway 10, west of the Katy Gaston Road, north of F.M. 1093, and east of F.M. 1463. The District is located approximately 28 miles west of the central business district of the City. See "THE DISTRICT – Description and Location."

Development of the District: The District is built out and was developed for predominately single-family residential purposes. Approximately 513 acres were developed and improved as the single-family communities known as Pine Mill Ranch, Sections 1 – 30, and Avalon at Pine Mill, Sections 1 and 2, and approximately six (6) acres were developed and improved for commercial purposes. Currently, there are 1,778 single-family residential lots and approximately eight commercial establishments being served with water, sanitary sewer, and drainage facilities. As of January 1, 2022, the District included approximately 1,778 completed homes (approximately 1,768 of which were resident occupied) and no vacant developed lots. Commercial building development and construction has been completed for retail use, professional office use, and a child care facility. Approximately 119 acres in the District are undevelopable, which includes approximately five (5) acres that have been reserved for recreation facilities. See "THE DISTRICT – Land Uses and Status of Land Development" and "– Current Status of Development."

The developer of the Pine Mill Ranch subdivision within the District was CH-B Pine Mill, LLC, a Delaware limited liability company ("CH-B"). CH-B was established solely for the purpose of developing land located within the District. Castle Hill Partners, Inc. is CH-B's general partner. MAK Development Group ("MAK") is a Houston-based firm that was hired by CH-B for the daily oversight of development operations within the District. Michael Kim is the President of MAK and was responsible for managing all development operations. The developer of the Avalon at Pine Mill subdivision within the District was Taylor Morrison of Texas, Inc. ("Taylor Morrison"). Taylor Morrison engaged MAK to manage the development operations associated with the Avalon at Pine Mill subdivision. See "THE DISTRICT'S DEVELOPER."

The System: The District's water supply and distribution, wastewater collection and treatment, and drainage system is complete in Pine Mill Ranch, Sections 1 – 30 and Avalon at Pine Mill, Sections 1 and 2. The District has water plant capacity capable of providing service to 2,940 equivalent single-family connections ("ESFCs") based upon TCEQ criteria. Pursuant to a Joint Water Supply Agreement, the District is currently committed to provide 465 ESFCs of water plant capacity to the adjacent Fort Bend County Municipal Utility District No. 58 ("FBMUD 58"), and pursuant to a Utility Agreement with Fort Bend County Municipal Utility District No. 156 ("FBMUD 156"), the District is currently committed to provide 645 ESFCs of water plant capacity to FBMUD 156. The District also has an Emergency Water Supply Agreement, as amended, with FBMUD 58. The District is located within the boundaries of the Fort Bend Subsidence District, which regulates groundwater withdrawal and the conversion to surface water. The District converted to surface water use in September 2013. The District has completed all expansions to the water plant, which has adequate capacity to serve 2,940 ESFCs; such capacity is adequate to serve the District plus the District's commitments to FBMUD 58 and FBMUD 156.

Based upon TCEQ criteria, the District has adequate wastewater treatment plant capacity to serve approximately 3,000 ESFCs. Currently, the District is committed to provide 645 ESFCs for use by FBMUD 156, pursuant to a Utility Agreement between the District and FBMUD 156. The District has 2,355 ESFCs of reserved capacity in the wastewater treatment plant and 645 ESFCs are reserved for FBMUD 156. The District's reserved capacity is adequate to serve the District.

The underground storm sewer facilities to serve Pine Mill Ranch, Sections 1 – 30 and Avalon at Pine Mill, Sections 1 and 2, are complete. The natural rainfall runoff flows to Little Prong Creek and eventually to Buffalo Bayou. A major north/south linear conveyance/detention basin has been constructed in the District and such conveyance/detention basin connects to a major offsite drainage channel to the south. The District has entered into a Joint Drainage Agreement with FBMUD 58 to provide capacity in the amount of 71.16 cubic feet per second in the conveyance/detention basin and major offsite drainage channel. The lot and street drainage system includes concrete curb and gutter streets with storm sewer piping to carry the flow to the drainage channel and detention facilities. See "DESCRIPTION OF THE DISTRICT'S SYSTEM."

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 2020 and 2021, 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 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 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 re-imposition of restrictions. See "RISK FACTORS – Infectious Disease Outlook (COVID-19)."

SELECTED FINANCIAL INFORMATION
(Unaudited)

2021 Taxable Valuation	$666,461,204	(a)
Direct Debt:		
Remaining Outstanding Bonds	$34,955,000	(b)
The Bonds	$8,565,000	
Total Direct Debt	$43,520,000	
See “DISTRICT DEBT”		
Estimated Overlapping Debt	$32,733,234	(c)
Direct and Estimated Overlapping Debt	$76,253,234	
Percentage of Direct Debt to:		
2021 Taxable Valuation	6.53%	
See “DISTRICT DEBT”		
Percentage of Direct and Estimated Overlapping Debt to:		
2021 Taxable Valuation	11.44%	
See “DISTRICT DEBT”		
2021 Tax Rate Per $100 of Assessed Value:		
Debt Service Tax	$0.42	
Maintenance Tax	$0.46	
Total 2021 Tax Rate	$0.88	
Cash and Temporary Investment Balances as of January 24, 2022:		
General Fund	$6,059,122	(d)
Debt Service Fund	$1,977,159	(e)

(a) Reflects the January 1, 2021 Certified Taxable Valuation according to data supplied to the District by Fort Bend Central Appraisal District (“FBCAD” or the “Appraisal District”). See "DISTRICT TAX DATA" and "TAXING PROCEDURES."

(b) Excludes the Refunded Bonds. See “PLAN OF FINANCING – Outstanding Bonds.”

(c) See “DISTRICT DEBT – Estimated Overlapping Debt.”

(d) Unaudited figure per the District’s records. See “DESCRIPTION OF THE DISTRICT’S SYSTEM – General Fund Operating History.”

(e) Neither Texas law nor the District's Bond Resolution requires that the District to maintain any particular balance in the Debt Service Fund. See "DISTRICT TAX DATA – Tax Adequacy of Tax Revenue."

DEBT SERVICE REQUIREMENTS

The following sets forth the debt service requirements for the Outstanding Bonds, less the debt service on the Refunded Bonds, plus the debt service on the Bonds.

Year	Outstanding Debt Service	Less: Debt Service on the Refunded Bonds	Plus: Debt Service on the Bonds Principal	Interest	Total Debt Service
2022	$2,805,050	$165,431		$153,362	$2,792,981
2023	$2,916,455	$649,363	$305,000	$311,200	$2,883,292
2024	$2,935,505	$660,863	$320,000	$298,700	$2,893,342
2025	$2,943,030	$648,613	$320,000	$285,900	$2,900,317
2026	$2,930,805	$662,738	$345,000	$272,600	$2,885,667
2027	$2,992,380	$675,863	$375,000	$258,200	$2,949,717
2028	$2,973,011	$663,113	$380,000	$243,100	$2,932,998
2029	$3,012,193	$674,706	$405,000	$227,400	$2,969,887
2030	$3,006,521	$685,206	$430,000	$210,700	$2,962,015
2031	$3,070,931	$694,300	$460,000	$192,900	$3,029,531
2032	$3,077,721	$702,238	$485,000	$174,000	$3,034,483
2033	$3,072,339	$708,644	$515,000	$154,000	$3,032,695
2034	$3,115,678	$712,800	$540,000	$132,900	$3,075,778
2035	$3,139,493	$715,300	$565,000	$110,800	$3,099,993
2036	$3,123,143	$716,800	$590,000	$87,700	$3,084,043
2037	$3,138,956	$717,300	$615,000	$66,675	$3,103,331
2038	$3,114,865	$716,800	$630,000	$48,000	$3,076,065
2039	$2,720,421	$710,400	$645,000	$28,875	$2,683,896
2040	$2,559,409	$688,500	$640,000	$9,600	$2,520,509
2041	$108,150				$108,150
2042	$106,050				$106,050
TOTALS	**$56,862,106**	**$12,568,978**	**$8,565,000**	**$3,266,612**	**$56,124,740**

Maximum Annual Debt Service Requirements (2037)... $3,103,331

Requires a $0.50 debt service tax rate on the 2021 Taxable Valuation at 95% collections............................ $3,165,691

See "DISTRICT TAX DATA – Tax Adequacy of Tax Revenue."

OFFICIAL STATEMENT

relating to

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 57
(A political subdivision of the State of Texas located within Fort Bend County, Texas)

$8,565,000
UNLIMITED TAX REFUNDING BONDS
SERIES 2022

INTRODUCTION

This Official Statement provides certain information in connection with the issuance by Fort Bend County Municipal Utility District No. 57 of its $8,565,000 Unlimited Tax Refunding Bonds, Series 2022 (the "Bonds").

The Bonds are issued pursuant to Article XVI, Section 59 of the Texas Constitution, the general laws of the State of Texas, as amended, particularly, Chapters 49 and 54 of the Texas Water Code, a resolution authorizing the issuance of the Bonds (the "Bond Resolution") adopted by the Board of Directors of Fort Bend County Municipal Utility District No. 57 (the "District"), Chapter 1207, Texas Government Code, as amended, an election held within the District, and City of Houston (the "City") Ordinance No. 97-416.

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

RISK FACTORS

General

The Bonds are obligations of the District and are not obligations of the State of Texas, Fort Bend County, the City of Houston, or any other political subdivision. The Bonds are payable from a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property within the District. See "THE BONDS – Source of and Security for Payment." The investment quality of the Bonds depends on the ability of the District to collect all taxes levied against the taxable property within the District and, in the event of foreclosure of the District's tax lien, on the marketability of the property and the ability of the District to sell the property at a price sufficient to pay taxes levied by the District and by other overlapping taxing authorities. The District cannot and does not make any representations that over the life of the Bonds the taxable property within the District will accumulate or maintain taxable values sufficient to justify the continued payment of taxes by property owners.

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 2020 and 2021, 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 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 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 re-imposition of restrictions.

Marketability

The District has no understanding (other than the initial reoffering yields) with the Underwriters regarding the reoffering yields or prices of the Bonds and has no control over 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 spread between the bid and asked price of more traditional issuers as such bonds are generally bought, sold, or traded in the secondary market.

Tax Collections

The District's ability to make debt service payments may be adversely affected by its inability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien in favor of the District on a parity with the liens of all other state and local taxing authorities on the property against which taxes are levied, and such lien may be impaired by (a) repetitive, annual, expensive collection procedures, (b) a federal bankruptcy court's stay of tax collection procedures, or (c) market conditions affecting the marketability of taxable property within the District and limiting the proceeds from a foreclosure sale of such property. While the District has a lien on taxable property within the District for taxes levied against such property, such lien can be foreclosed only in a judicial proceeding.

Registered Owners' Remedies

If the District defaults in the payment of principal of, interest on, or redemption price on the Bonds when due, or if it fails to make payments into any fund or funds created in the Bond Resolution, or defaults in the observation or performance of any other covenants, conditions, or obligations set forth in the Bond Resolution, the Registered Owners have the right of a writ of mandamus issued by a court of competent jurisdiction requiring the District and its officials to observe and perform the covenants, obligations, or conditions prescribed in the Bond Resolution. Except for mandamus, the Bond Resolution does not specifically provide for remedies to protect and enforce the interests of the Registered Owners. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Further, there is no trust indenture or trustee, and all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the Registered Owners. Statutory language authorizing local governments such as the District to sue and be sued does not waive the local government’s sovereign immunity from suits for money damages. Even if such sovereign immunity was waived and a judgment against the District for money damages was obtained, the judgment 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 the 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. Specifically, the District may voluntarily file a petition for protection from creditors under the federal bankruptcy laws. During the pendency of the bankruptcy proceedings, the remedy of mandamus would not be available to the Registered Owners unless authorized by a federal bankruptcy judge.

Subject to the requirements of Texas law, the District may voluntarily proceed under Chapter 9 of the Federal Bankruptcy Code, 11 U.S.C. Section 901-946, if the District: (a) is generally authorized to file for federal bankruptcy protection by the State law; (b) is insolvent or unable to meet its debts as they mature; (c) desires to effect a plan to adjust such debts; and (d) has either obtained the agreement of, or negotiated in good faith with, its creditors or is unable to negotiate with its creditors because negotiation is impracticable. Under Texas law, the District must obtain the approval of the TCEQ prior to filing bankruptcy. Such law requires that the TCEQ investigate the financial condition of the District and authorize the District to proceed only if the District has fully exercised its rights and powers under Texas law and remains unable to meet its debts and other obligations as they mature.

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

If a petitioning district were allowed to proceed voluntarily under Chapter 9 of the Federal Bankruptcy Code, it could file a plan for an adjustment of its debts. If such a plan were confirmed by the bankruptcy court, it could, among other things, affect Registered Owners by reducing or eliminating the amount of indebtedness, deferring or rearranging the debt service schedule, reducing or eliminating the interest rate, modifying or abrogating 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 the district. The District cannot be involuntarily placed into bankruptcy.

Approval of the Bonds

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

Economic Factors

The Houston metropolitan area has, in the past, experienced increased unemployment, business failures, and slow absorption of office space, especially during times of relatively low oil and natural gas prices. The relatively low oil and natural gas prices, currently being experienced worldwide, could affect the demand for new residential home construction and commercial development and hence the growth of property values in the District. An oversupply of homes, along with a decreased demand in new housing because of general economic conditions or relatively high interest rates, may have an adverse impact on sale prices for homes and, consequently, may materially adversely affect property values or, in some instances, cause builders to abandon home-building plans altogether.

The continued growth of taxable values in the District is directly related to the housing and building industry. The housing and building industry has historically been a cyclical industry, affected by both short-term and long-term interest rates, availability of mortgage and development funds, labor conditions, and general economic conditions. A return to relatively high mortgage interest rates similar to those experienced in the past may adversely affect the availability and desirability of mortgage financing for new homes, hence reducing demand by homebuilders for lots within the District.

Interest rates and the availability of mortgage and development funds have a direct impact on construction activity, particularly the short-term interest rates at which developers and builders are able to obtain financing for land development or home building costs. Interest rate levels may affect the developers' or builders' ability to complete development or building plans. Long-term interest rates affect home purchasers' ability to qualify for and afford the total financing costs of a new home. The continuation of long-term interest rates at higher levels may negatively affect home sales and the rate of growth of taxable values in the District.

The housing industry in the Houston area is competitive and the District can give no assurance that current home building programs will be completed. The competitive position of the developers in the sale of their developed lots or, respectively, that of present and prospective builders in the construction of single-family residential houses, is affected by most of the factors discussed herein. Such a competitive position is directly related to tax revenues to be received by the District and the growth and maintenance of taxable values in the District.

Nationally, there was a significant downturn in new housing construction from 2008 – 2012 caused, in part, by increasing foreclosures, reduced builder financing, the unavailability of mortgage funds, and contraction in the national economy resulting in a decline in the market value of homes. That downturn did not have a significant effect on the value of homes in the District. However, the Houston area did experience reduced levels of home construction in 2009, 2010, 2011 and 2012 when compared to similar periods in prior years (i.e., 2004 – 2007).

Alternative sites are available for the construction of single-family residential improvements and commercial development within the market area in which the District is located. Such sites could pose competition to the continued home-building development and commercial development on comparable sites within the District.

Potential Effects of Oil Price Volatility on the Houston Area

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

Dependence on the Energy Industry

The economy of the Houston metropolitan area, which has sometimes been referred to as the energy capital of the world, is, in part, dependent upon the oil and gas and petrochemical industries. During the height of the COVID-19 pandemic in 2020, worldwide consumption of energy decreased dramatically and led to the lowest oil prices in three decades. This led to layoffs of workers, business failures and reduced capital and operating expenditures by energy companies. While there has been some rebound, Houston area jobs in the energy industry have not fully recovered. In 2021, the United States rejoined the 2015 Paris Climate Accords, under which many countries have agreed to move away from fossil fuels to alleviate climate change. Although major energy companies expect that fossil fuels will be vital to the global economy for many years to come, they have recognized the need to direct more investment toward various clean energy projects. The pace and success of these efforts could significantly affect the Houston economy in the future.

Dependence on Future Development and Potential Impact on District Tax Rates

The District's 2021 total tax rate is $0.88 per $100 of assessed valuation. After issuance of the Bonds, the Maximum Annual Debt Service Requirement will be $3,103,331 (2037). Assuming no increase or decrease from the 2021 Taxable Valuation and no use of other District funds, a debt service tax rate of $0.50 per $100 of assessed valuation at 95% collection rate would be necessary to pay the Maximum Annual Debt Service Requirement. See "DISTRICT TAX DATA."

Future Debt

The District has $22,480,000 of unlimited tax bonds for water, sewer, and drainage facilities, $44,855,000 of unlimited tax bonds for refunding purposes, and $1,475,000 of unlimited tax bonds for parks and recreational facilities that will remain authorized, but unissued, after the issuance of the Bonds. The District has the right to issue additional new money bonds as may hereafter be approved by both the Board and the voters of the District and may issue refunding bonds without additional elections so long as they do not exceed the principal amount of then outstanding bonds. Such additional new money bonds or refunding bonds would be issued on a parity with the Bonds. Any future new money bonds to be issued by the District must also be approved by the TCEQ.

Financing Parks and Recreational Facilities

The District is authorized by statute to develop parks and recreational facilities, including the issuing of bonds payable from taxes for such purpose (the District has previously issued the Series 2013B Bonds, Series 2015B Bonds, and Series 2016B Bonds, which were parks and recreational facilities bonds). The outstanding principal amount of such bonds may not exceed an amount equal to one percent of the value of the taxable property in the District, unless effective June 14, 2021, the District meets certain financial feasibility requirements under the TCEQ rules, in which case the outstanding principal amount of such bonds issued by the District may exceed an amount equal to one percent but not three percent of the value of the taxable property in the District. The District prepared a park plan and conducted a park bond election held on February 5, 2005, that authorized $7,800,000 of parks and recreational facilities bonds of which $1,475,000 remain authorized but unissued, as noted above.

Current law may be changed in a manner to increase the amount of bonds that may be issued as related to a percentage of the value of taxable property or to allow a higher or lower maintenance tax rate for such purposes. The levy of taxes for such purposes may dilute the security for the Bonds.

Continuing Compliance with Certain Covenants

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

Environmental Regulations

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

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

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

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

While the EPA has revoked the 1997 Ozone Standards, the EPA historically has not formally redesignated nonattainment areas for a revoked standard. As a result, the HGB Area remained subject to continuing severe nonattainment area “anti-backsliding” requirements, despite the fact that HGB Area air quality has been attaining the 1997 Ozone Standards since 2014. In late 2015, the EPA approved the TCEQ’s “redesignation substitute” for the HGB Area under the revoked 1997 Ozone Standards, leaving the HGB Area subject only to the nonattainment area requirements under the 2008 Ozone Standard (and later, the 2015 Ozone Standard).

In February 2018, the U.S. Court of Appeals for the District of Columbia Circuit issued an opinion in *South Coast Air Quality Management District v. EPA,* 882 F.3d 1138 (D.C. Cir. 2018) vacating the EPA redesignation substitute rule that provided the basis for the EPA's decision to eliminate the anti-backsliding requirements that had applied in the HGB Area under the 1997 Ozone Standard. The court has not responded to the EPA's April 2018 request for rehearing of the case. To address the uncertainty created by the *South Coast* court's ruling, the TCEQ developed a formal request that the HGB Area be redesignated to attainment under the 1997 Ozone Standards. The TCEQ Commissioners adopted the request and maintenance plan for the 1997 one-hour and eight-hour standards on December 12, 2018. On May 16, 2019, the EPA proposed a determination that the HGB Area has met the redesignation criteria and continues to attain the 1997 one-hour and eight-hour standards, the termination of the anti-backsliding obligations, and approval of the proposed maintenance plan.

The HGB Area is currently designated as a "serious" nonattainment area under the 2008 Ozone Standard, with an attainment deadline of July 20, 2021. If the EPA ultimately determines that the HGB Area has failed to meet the attainment deadline based on the relevant data, the area is subject to reclassification to a nonattainment classification that provides for more stringent controls on emissions from the industrial sector. In addition, the EPA may impose a moratorium on the awarding of federal highway construction grants and other federal grants for certain public works construction projects if it finds that an area fails to demonstrate progress in reducing ozone levels.

The HGB Area is currently designated as a "marginal" nonattainment area under the 2015 Ozone Standard, with an attainment deadline of August 3, 2021. For purposes of the 2015 Ozone Standard, the HGB Area consists of only six counties: Brazoria, Chambers, Fort Bend, Galveston, Harris, and Montgomery Counties.

In order to demonstrate progress toward attainment of the EPA's ozone standards, the TCEQ has established a state implementation plan ("SIP") for the HGB Area setting emission control requirements, some of which regulate the inspection and use of automobiles. These types of measures could impact how people travel, what distances people are willing to travel, where people choose to live and work, and what jobs are available in the HGB Area. These SIP requirements can negatively impact business due to the additional permitting/regulatory constraints that accompany this designation and because of the community stigma associated with a nonattainment designation. It is possible that additional controls will be necessary to allow the HGB Area to reach attainment with the ozone standards by the EPA's attainment deadlines. These additional controls could have a negative impact on the HGB Area's economic growth and development.

Water Supply & Discharge Issues. Water supply and discharge regulations that municipal utility districts, including the District, may be required to comply with involve: (1) groundwater well permitting and surface water appropriation; (2) public water supply systems; (3) wastewater discharges from treatment facilities; (4) storm water discharges; and (5) wetlands dredge and fill activities. Each of these is addressed below:

Certain governmental entities regulate groundwater usage in the HGB Area. A municipal utility district or other type of special purpose district that (i) is located within the boundaries of such an entity that regulates groundwater usage, and (ii) relies on local groundwater as a source of water supply, may be subject to requirements and restrictions on the drilling of water wells and/or the production of groundwater that could affect both the engineering and economic feasibility of district water supply projects.

Pursuant to the federal Safe Drinking Water Act ("SDWA") and the EPA's National Primary Drinking Water Regulations ("NPDWRs"), which are implemented by the TCEQ's Water Supply Division, a municipal utility district's provision of water for human consumption is subject to extensive regulation as a public water system. Municipal utility districts must generally provide treated water that meets the primary and secondary drinking water quality standards adopted by the TCEQ, the applicable disinfectant residual and inactivation standards, and the other regulatory action levels established under the agency's rules. The EPA has established NPDWRs for more than ninety (90) contaminants and has identified and listed other contaminants which may require national drinking water regulation in the future.

Texas Pollutant Discharge Elimination System ("TPDES") permits set limits on the type and quantity of discharge, in accordance with state and federal laws and regulations. The TCEQ reissued the TPDES Construction General Permit (TXR150000), with an effective date of March 5, 2018, which is a general permit authorizing the discharge of stormwater runoff associated with small and large construction sites and certain non-stormwater discharges into surface water in the state. It has a 5-year permit term, and is then subject to renewal. Moreover, the Clean Water Act ("CWA") and Texas Water Code require municipal wastewater treatment plants to meet secondary treatment effluent limitations and more stringent water quality-based limitations and requirements to comply with the Texas water quality standards. Any water quality-based limitations and requirements with which a municipal utility district must comply may have an impact on the municipal utility district's ability to obtain and maintain compliance with TPDES permits.

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

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

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

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

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

On June 9, 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. On November 18, 2021, the EPA and USACE issued a Notice of Proposed Rulemaking to put back into place the pre-2015 definition of "waters of the United States." 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.

Subsidence and Conversion to Surface Water Supply

The District is within the boundaries of the Fort Bend Subsidence District (the "Subsidence District"), which regulates groundwater withdrawal. The District's authority to pump groundwater is subject to an annual permit issued by the Subsidence District. The Subsidence District has adopted regulations requiring reduction of groundwater withdrawals through conversion to alternate source water (e.g., surface water) in certain areas within the Subsidence District's jurisdiction, including the area within the District. In 2005, the Texas legislature created the North Fort Bend Water Authority (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 to obtain treated surface water from the City. 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 District for groundwater pumped by the 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 District, and other major groundwater users, substantial fees per 1,000 gallons based on the amount of groundwater pumped by the District, and the amount, if any, of surface water received from the Authority. The Authority has issued revenue bonds to fund, among other things, Authority surface water project costs. It is expected that the Authority will continue to issue a substantial amount of bonds by the year 2025 to finance the Authority's project costs, and it is expected that the fees charged by the Authority will increase substantially over such period.

Under the Subsidence District regulations and the GRP, the Authority is required to: (i) limit groundwater withdrawals to no more than 70% of the total 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 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 substantial disincentive fee penalty, currently per 1,000 gallons ("Disincentive Fees"), imposed by the Subsidence District for any groundwater withdrawn in excess of 40% of the total 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 District. If the District failed to comply with surface water conversion requirements mandated by the Authority, the Authority would likely seek monetary or other penalties against the District.

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

Bond Insurance Risk Factors

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

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

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

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

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

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

Changes in Tax Legislation

Certain tax legislation, if enacted whether currently proposed or proposed in the future, may directly or indirectly reduce or eliminate the benefit of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, may also affect the value and liquidity of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed, pending, or future legislation.

Severe Weather

The District is located approximately 70 miles from the Texas Gulf Coast. Land located in this area is susceptible to high winds, heavy rain and flooding caused by hurricanes, tropical storms, and other tropical disturbances. If a hurricane (or any other natural disaster) significantly damaged all or part of the improvements within the District, the assessed value of property within the District could be substantially reduced, with a corresponding decrease in tax revenues or necessity to 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 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 would be adversely affected.

The greater Houston area has experienced four storms exceeding a 0.2% probability of occurrence (i.e., "500-year flood" events) since 2015. If the District were to sustain damage to its facilities as a result of such a storm (or any other severe weather event) requiring substantial repair or replacement, or if substantial damage to taxable property within the District were to occur as a result of a severe weather event, the investment security of the Bonds could be adversely affected.

Hurricane Harvey

The Houston area, including Fort Bend County, sustained widespread wind and rain damage and flooding as a result of Hurricane Harvey's landfall along the Texas Gulf Coast on August 25, 2017, and historic levels of rainfall during the succeeding four days. According to the observations of the District's Operator and the District's Engineer, the District's System did not sustain any significant damage as a result of Hurricane Harvey and there was no interruption of water and sewer service during or after the storm. According to observations of the District's Operator and the District's Board Members, approximately five homes in the District experienced some flooding during Hurricane Harvey.

Specific Flood Type Risks

The District may be subject to the following flood risks:

Ponding (or Pluvial) Flooding – 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) Flooding – 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.

Winter Storm Uri

From February 12-19, 2021, the State of Texas experienced a severe winter storm ("Winter Storm Uri") which included prolonged freezing temperatures, heavy snow and freezing rains statewide. Winter Storm Uri led to power outages and potable and non-potable water shortages in many areas of the State, including the District. The federal government issued a Major Disaster Declaration for the State of Texas and has included federal funding for emergency protective measures. The District did not sustain material damage to its infrastructure during Winter Storm Uri, but the District cannot predict the impact of future winter weather events.

Temporary Tax Exemption for Property Damaged by Disaster

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

Tax Payment Installments After Disaster

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

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

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 Service Area may be redrawn based on the Atlas 14 study based on a higher statistical rainfall amount, resulting in the application of more stringent floodplain regulations applying to a larger area and potentially leaving less developable property within the Service Area. The application of such regulations could additionally result in higher insurance rates, increased development fees, and stricter building codes for any property located within the expanded boundaries of the floodplain.

PLAN OF FINANCING

Purpose

The Bonds are being issued to pay issuance and administrative expenses related to the Bonds and to currently refund certain of the District's Unlimited Tax Bonds, Series 2014 in an aggregate principal amount of $8,920,000 (the "Refunded Bonds"). The refunding is being implemented in order to produce present value savings in the District's annual debt service expense.

The District's currently Outstanding Bonds (the "Remaining Outstanding Bonds") totaling $34,955,000 will remain outstanding after the issuance of the Bonds and the refunding of the Refunded Bonds. The Refunded Bonds, which are scheduled to mature in various amounts on April 1 in the years 2023 through 2040, will be redeemed at par in advance of their respective maturities on the date of delivery of the Bonds. See "Refunded Bonds" herein.

Outstanding Bonds

The table below summarizes the District's previously issued series of bonds.

Original Principal Amount	Series	Principal Amount Outstanding	Principal Amount Outstanding After the Bonds
$5,625,000	Unlimited Tax Bonds, Series 2008	$0	$0
$3,800,000	Unlimited Tax Bonds, Series 2009	$0	$0
$3,130,000	Unlimited Tax Bonds, Series 2010	$0	$0
$3,565,000	Unlimited Tax Bonds, Series 2011	$0	$0
$6,120,000	Unlimited Tax Bonds, Series 2012	$0	$0
$4,205,000	Unlimited Tax Bonds, Series 2013A	$0	$0
$915,000	Unlimited Tax Park Bonds, Series 2013B	$330,000	$330,000
$9,730,000	Unlimited Tax Bonds, Series 2014	$9,120,000	$200,000
$9,680,000	Unlimited Tax Refunding Bonds, Series 2015	$360,000	$360,000
$11,185,000	Unlimited Tax Bonds, Series 2015A	$0	$0
$3,395,000	Unlimited Tax Park Bonds, Series 2015B	$2,075,000	$2,075,000
$2,160,000	Unlimited Tax Bonds, Series 2016A	$0	$0
$2,015,000	Unlimited Tax Park Bonds, Series 2016B	$1,715,000	$1,715,000
$5,690,000	Unlimited Tax Refunding Bonds, Series 2019	$5,495,000	$5,495,000
$4,345,000	Unlimited Tax Refunding Bonds, Series 2020	$4,325,000	$4,325,000
$20,680,000	Unlimited Tax Refunding Bonds, Series 2021	$20,455,000	$20,455,000
$96,240,000		**$43,875,000**	**$34,955,000**

Refunded Bonds

Proceeds of the Bonds will be applied to currently refund $8,920,000 in principal amount of the Refunded Bonds. The principal amounts and maturity dates of the Refunded Bonds to be refunded are set out in the table below, all with maturity dates of April 1 in the years shown. All of the Refunded Bonds will be called for redemption on April 7, 2022.

Years	Series 2014 Bonds Principal Amount	
2022	-	
2023	$325,000	
2024	$350,000	
2025	$350,000	
2026	$375,000	
2027	$400,000	
2028	$400,000	
2029	$425,000	
2030	$450,000	
2031	$475,000	
2032	$500,000	
2033	$525,000	
2034	$550,000	
2035	$575,000	(a)
2036	$600,000	
2037	$625,000	
2038	$650,000	(b)
2039	$670,000	
2040	$675,000	(c)
	$8,920,000	

(a) Represents the $1,125,000 Term Bond with mandatory sinking fund provisions beginning in 2034 through and including the 2035 maturity.

(b) Represents the $1,875,000 Term Bond with mandatory sinking fund provisions beginning in 2036 through and including the 2038 maturity.

(c) Represents the $1,345,000 Term Bond with mandatory sinking fund provisions beginning in 2039 through and including the 2040 maturity.

Defeasance of the Refunded Bonds

By the deposit of cash with the Paying Agent for the Refunded Bonds, Zions Bancorporation, National Association (successor to Amegy Bank, National Association), the District will have affected the defeasance of the Refunded Bonds pursuant to the terms of the resolution authorizing the issuance of the Refunded Bonds. In the opinion of Bond Counsel, as a result of such a deposit, and in reliance upon the verification report of Robert Thomas CPA, LLC (see "VERIFICATION OF ACCURACY OF MATHEMATICAL COMPUTATIONS"), firm banking and financial arrangements will have been made for the discharge and final payment of the Refunded Bonds, and such Refunded Bonds will be deemed under Texas law to be fully paid and no longer outstanding.

Sources and Uses of Funds

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

Sources of Funds:	
Principal Amount of the Bonds	$8,565,000.00
Plus: Original Issue Premium	$670,232.75
Total Sources of Funds	**$9,235,232.75**
Uses of Funds:	
Deposit to Refund Bonds	$8,925,514.38
Issuance Expenses (a)	$252,761.12
Underwriters' Discount	$56,957.25
Total Uses of Funds	**$9,235,232.75**

(a) Includes municipal bond insurance premium.

THE DISTRICT

Authority

The District is a municipal utility district created on November 21, 1984, by an order of the Texas Water Commission, now known as the Texas Commission on Environmental Quality (the "TCEQ"). The District was created pursuant to the authority of Article XVI, Section 59, of the Texas Constitution and operates pursuant to Chapters 49 and 54, Texas Water Code. The rights, powers, privileges, authority, and functions of the District are established by the general laws of the State of Texas pertaining to municipal utility districts, including particularly Chapters 49 and 54, Texas Water Code, as amended. The District is subject to the continuing supervision of the TCEQ. 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; and the control and diversion of storm water.

Under certain limited circumstances the District also is authorized to construct, develop, and maintain park and recreational facilities. In addition, the District is authorized to establish, operate, and maintain a fire department, independently or with one or more other conservation and reclamation districts.

The TCEQ exercises continuing supervisory jurisdiction over the District. In order to obtain the consent of the City of Houston, Texas (the "City"), within whose extraterritorial jurisdiction the District lies, the District has agreed to observe certain City requirements. These requirements limit the purposes for which the District may sell bonds for the acquisition and improvement of waterworks, wastewater, and drainage facilities; limit the net effective interest rate on such bonds and other terms of such bonds; and require approval by the City of the District's construction plans and specifications.

Description and Location

The District, as it was originally created, included approximately 550 acres. Since its creation, the District has excluded certain tracts of land and annexed other tracts of land, and the District currently includes approximately 638 acres. The District is located within the extraterritorial jurisdiction of the City. The District is located south of Interstate Highway 10, west of the Katy Gaston Road, north of F.M. 1093, and east of F.M. 1463. The District is located approximately 28 miles west of the central business district of the City. According to the District's engineer, none of the land within the District would be subject to flooding during a hypothetical 100-year flood.

The District is built out and was developed for predominately single-family residential purposes. Approximately 513 acres were developed and improved as the single-family communities known as Pine Mill Ranch, Sections 1 – 30, and Avalon at Pine Mill, Sections 1 and 2, and approximately six (6) acres were developed and improved for commercial purposes. Currently, there are 1,778 single-family residential lots and approximately eight commercial establishments being served with water, sanitary sewer, and drainage facilities. As of January 1, 2022, the District included approximately 1,778 completed homes (approximately 1,768 of which were resident occupied) and no vacant developed lots. Commercial building development and construction has been completed for retail use, professional office use, and a child care facility. Approximately 119 acres in the District are undevelopable, which includes approximately five (5) acres that have been reserved for recreation facilities. See "Land Uses and Status of Land Development" and "Current Status of Development" herein.

Land Uses and Status of Land Development

A summary of the approximate land use in the District as of January 1, 2022, appears in the following table.

Type of Land Use	Approximate Acres
Developed and Improved Acres	519 (a)
Acres Remaining to be Developed	0
Drainage Easements	63
District Plant Sites	5
Community Association Site(s) and Other Undevelopable Acres	51
Total Approximate Acres	**638**

(a) Represents the developable land located in Pine Mill Ranch, Sections 1 – 30, Avalon at Pine Mill, Sections 1 and 2, and a six-acre commercial building site.

Current Status of Development

The status of development in the District as of January 1, 2022, is summarized in the table below.

Subdivision/Section	Approx. Acres	Total Lots	Homes Completed	Homes Under Construction	Vacant Lots
Pine Mill Ranch, Sections 1 – 30	464	1,659	1,659	0	0
Avalon at Pine Mill, Sections 1 – 2	49	119	119	0	0
Other Developed Acreage (a)	6	-	-	-	-
Non-Developable Acreage	119	-	-	-	-
TOTAL	**638**	**1,778**	**1,778** (b)	**0**	**0**

(a) Represents a six-acre commercial tract that has been sold for retail, professional, child care and office building development; such building development is substantially complete.

(b) As of January 1, 2022, approximately 1,768 of the 1,778 homes in the District were occupied with residents.

THE DISTRICT'S DEVELOPER

Role of a Developer

In general, the activities of developers in a municipal utility district such as the District include purchasing the land within a district, designing the streets in the subdivision, designing any community facilities to be built, defining a marketing program and building schedule, securing necessary governmental approvals and permits for development, arranging for the construction of roads and the installation of utilities, and selling improved lots and commercial reserves to builders, other developers, or other third parties. In most instances, a developer will be required to pay up to 30% of the cost of financing certain water, wastewater, and drainage facilities in the utility district, exclusive of water and sewage treatment plants, pursuant to the rules of the TCEQ. In addition, a developer is ordinarily the major taxpayer within a utility district during the property development phase and the developer's inability to pay the taxes assessed on its property within a district would have a materially adverse effect on the revenues of the district. The relative success or failure of a developer to perform development activities within a utility district may have a profound effect on the ability of the district to generate sufficient tax revenues to service and retire all tax bonds issued by the district. While a developer generally commits to pave streets and pay its allocable portion of the costs of utilities to be financed by the utility district through a specific bond issue, a developer is generally under no obligation to a district to undertake development activities with respect to other property that it owns within a district. Furthermore, there is no restriction on a developer's right to sell any or all of the land that the developer owns within a district.

The Developers

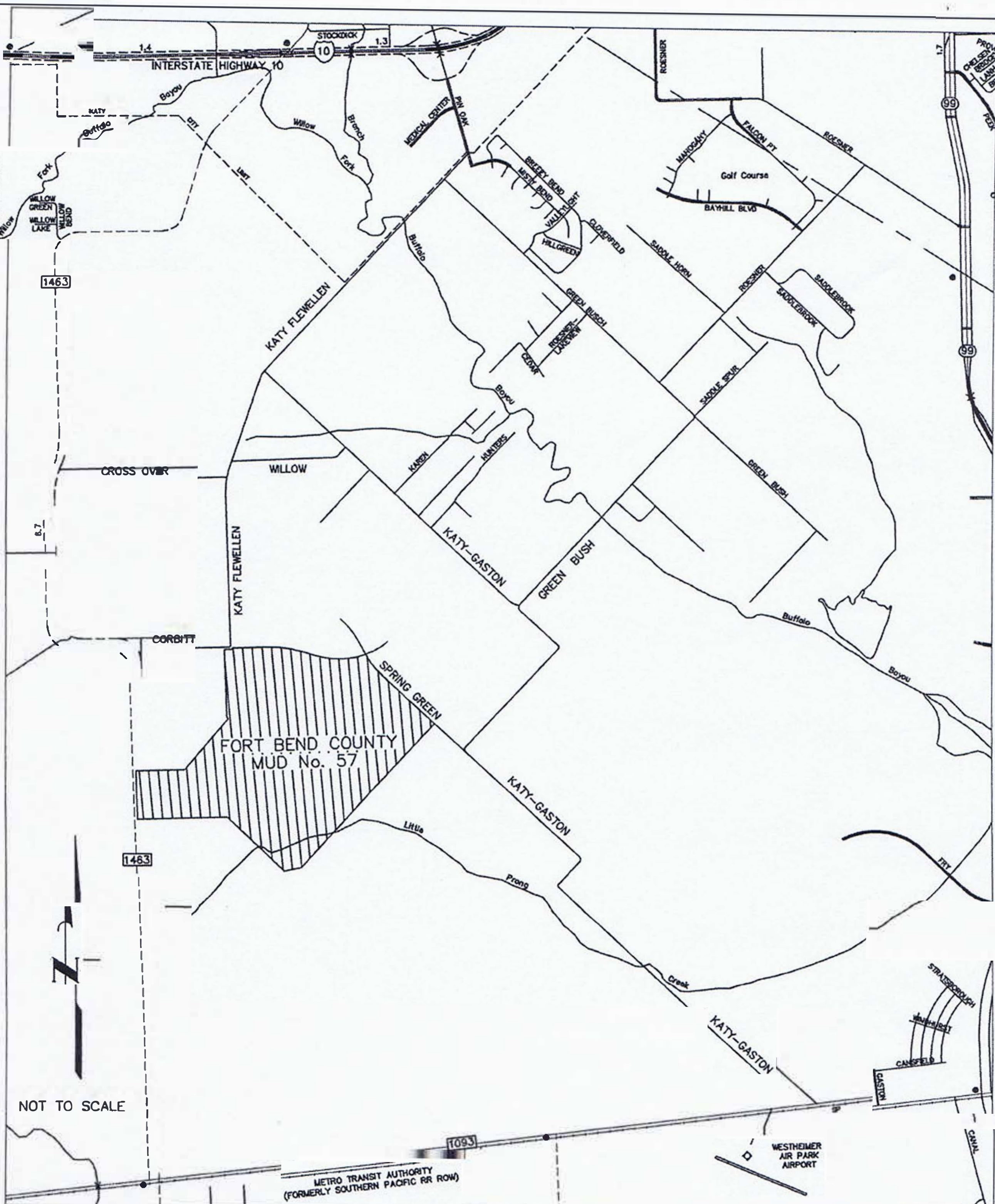
Development in the District is complete. The developer of the majority of land within the District was CH-B Pine Mill, LLC, a Delaware limited liability company ("CH-B"). CH-B was established solely for the purpose of developing land located within the District and, more specifically, located within Pine Mill Ranch, a 585-acre master-planned community. Castle Hill Partners, Inc., the general partner of CH-B, includes individuals that have experience in value-added property acquisitions and development dating from the late 1980's. All of the lots in the Pine Mill Ranch subdivision have been sold to builders and all of the lots have been built upon. MAK Development Group ("MAK") is a Houston-based firm that was hired by the CH-B for the daily oversight of development operations within the District. Michael Kim is the President of MAK and was responsible for managing all development operations.

Taylor Morrison of Texas, Inc. ("Taylor Morrison") developed 54 acres of land within the District known as the Avalon at Pine Mill subdivision. Taylor Morrison engaged MAK to manage the development operations of this tract; all development activity has been completed.

The Homebuilders

Homebuilding in the District was completed during 2017. Homebuilders in the District included Perry Homes, Newmark Homes, and Taylor Morrison Homes. Homes were marketed in the following price ranges: $180,000 to $230,000; $230,000 to $280,000; $280,000 to $350,000; and $400,000 to $700,000.

LOCATION MAP



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Jul 09, 2012 11:47 am

ATTACHMENT IV

LOCATION MAP

FORT BEND COUNTY MUD No. 57

Benchmark Engineering Corporation

Consulting Engineers – Planners – Surveyors

2401 Fountainview Suite 500

Houston, Texas 77057 U.S.A. (713)266-9930

JOB NO. 02060-01 DATE: JUNE, 2012

AERIAL MAP

Roesner Rd.
FM 1463
N
Spring Green Blvd.
Falcon Landing Blvd.
Fort Bend County Municipal
Utility District No. 57

DESCRIPTION OF THE DISTRICT'S SYSTEM

Description of the System and Regulation

The District's facilities have been designed in conformance with accepted engineering practices and the requirements of certain governmental agencies having regulatory or supervisory jurisdiction over the construction and operation of such facilities, including, as applicable, among others, the TCEQ, Fort Bend County, Fort Bend Subsidence District, and the City of Houston. According to the District's engineer, all such facilities constructed to date have been approved by all required governmental agencies. During construction, such facilities are subject to inspection by the foregoing governmental agencies having jurisdiction.

Operation of the System is subject to regulation by, among others, the United States Environmental Protection Agency and the TCEQ. In many cases, regulations promulgated by these agencies have become effective only recently and are subject to further development and revision. According to the District's engineer, the Flood Hazard Boundary Map currently in effect published by the Federal Emergency Management Agency, which covers land located in the District, indicates that none of the land located in the District is located within the 100-year floodplain.

Water Plant

The District currently obtains its water supply from groundwater and the North Fort Bend Water Authority ("NFBWA"). The water plant includes a 1,600 gallon per minute ("gpm") well; a 12" surface water supply line from the NFBWA; 60,000 gallons of hydropneumatic tank capacity; 960,000 gallons of ground storage tank capacity; and 7,000 gpm of booster pump capacity. The water plant, which supplies water to the District, currently has capacity capable of serving approximately 2,940 equivalent single-family connections ("ESFCs"). The District has entered into an Emergency Water Supply Agreement with an adjoining district, Fort Bend County Municipal Utility District No. 58 ("FBMUD 58"), and has also entered into a Joint Water Supply Agreement with FBMUD 58 to ultimately provide a total of 465 ESFCs in the water plant and to expand the water plant as necessary to provide such connections. The District has also entered into a Utility Agreement with Fort Bend County Municipal Utility District No. 156 ("FBMUD 156") to provide capacity to serve a total of 645 ESFCs from the water plant and to expand the water plant as necessary to provide such connections. The District has completed all expansions to the water plant which provides capacity to serve 2,940 ESFCs; such capacity is adequate to serve ultimate development in the District plus the District's commitments to FBMUD 58 and FBMUD 156.

The District is within the boundaries of the Fort Bend Subsidence District (the "Subsidence District"), which regulates groundwater withdrawal. The District's authority to pump groundwater is subject to an annual permit issued by the Subsidence District. The Subsidence District has adopted regulations requiring reduction of groundwater withdrawals through conversion to alternate source water (e.g., surface water) in certain areas within the Subsidence District's jurisdiction, including the area within the District. The District converted to surface water use in September 2013. The costs for such conversion were advanced by the District and were refunded to the District by the North Fort Bend Water Authority, which is now providing surface water to the District. See "RISK FACTORS – Subsidence and Conversion to Surface Water."

Wastewater Treatment Plant

The District owns and operates a wastewater treatment plant ("WWTP"), which currently has a rated capacity of 900,000 gallons per day. According to the Engineer, the existing WWTP facility has capacity to serve approximately 3,000 ESFCs based upon TCEQ criteria. The District has 2,355 ESFCs of reserved capacity in the WWTP and 645 ESFCs are reserved for FBMUD 156. The District's reserved capacity is adequate to serve the District.

Drainage System

The underground storm sewer facilities to serve Pine Mill Ranch, Sections 1 – 30 and Avalon at Pine Mill, Sections 1 and 2, are complete. The land in the District generally slopes in a southeasterly direction from a high elevation of 137 feet (msl) to a low elevation of 127 feet (msl). The natural rainfall runoff flows to Little Prong Creek and eventually to Buffalo Bayou. A major north/south linear conveyance/detention basin has been constructed in the District and such conveyance/detention basin connects to a major offsite drainage channel to the south. The District has entered into a Joint Drainage Agreement with FBMUD 58 to provide capacity in the amount of 71.16 cubic feet per second in the conveyance/detention basin and major offsite drainage channel. The lot and street drainage system includes concrete curb and gutter streets with storm sewer piping to carry the flow to the drainage channel and detention facilities.

General Fund Operating History

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. The information included in the table below relating to the District's water and sewer system operations is provided for information purposes only.

	Fiscal Year Ended July 31 (a)				
REVENUES	**2021**	**2020**	**2019**	**2018**	**2017**
Property taxes	$2,999,183	$2,917,868	$3,507,169	$3,550,875	$3,491,828
Water service	$652,850	$652,874	$597,898	$664,365	$684,983
Sewer service	$353,104	$351,787	$352,390	$353,561	$349,223
Regional water fee	$940,994	$877,768	$741,851	$768,905	$716,851
Penalty and interest	$24,637	$28,430	$38,190	$30,170	$34,115
Tap connection and inspection fees	$9,000	$9,034	$29,451	$27,315	$53,600
Investment income	$18,646	$93,167	$120,689	$81,426	$42,666
Other income	$45,172	$214,430	$21,112	$46,708	$33,012
TOTAL REVENUES	**$5,043,586**	**$5,145,358**	**$5,408,750**	**$5,523,325**	**$5,406,278**
EXPENDITURES					
Service operations:					
Purchased services	$1,695,709	$1,716,281	$1,354,025	$1,354,658	$1,599,250
Professional fees	$212,576	$235,227	$180,316	$156,082	$276,221
Contracted services	$461,416	$445,994	$428,804	$416,091	$397,453
Utilities	$115,688	$135,664	$149,759	$148,309	$155,814
Repairs and maintenance	$296,738	$273,926	$1,556,177	$623,684	$1,024,265
Other expenditures	$50,565	$55,031	$48,396	$50,746	$78,424
Tap connections	$35,036	$10,091	$14,599	$3,907	$12,030
Capital outlay	$2,105,221	$1,872,465	$669,831	$1,637,462	$43,938
Debt service					
Principal retirement	-	-	-	$3,365,000	-
Debt issuance costs	-	-	$1,500	-	-
TOTAL EXPENDITURES	**$4,972,949**	**$4,744,679**	**$4,403,407**	**$7,755,939**	**$3,587,395**
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$70,637	$400,679	$1,005,343	($2,232,614)	$1,818,883
OTHER FINANCING USES					
Interfund transfers out	-	-	-	-	($2,750,722)
EXCESS (DEFICIENCY) OF REVENUES & TRANSFERS IN OVER EXPENDITURES & TRANSFERS OUT	$70,637	$400,679	$1,005,343	($2,232,614)	($931,839)
FUND BALANCES BEGINNING YEAR	**$6,929,199**	**$6,528,520**	**$5,523,177**	**$7,755,791**	**$8,687,630**
FUND BALANCES END YEAR (b)	**$6,999,836**	**$6,929,199**	**$6,528,520**	**$5,523,177**	**$7,755,791**

(a) Data for fiscal years 2017 through and including 2021 is taken from District's audited financial statements. See "APPENDIX A."

(b) As of January 24, 2022, the District's General Fund had an unaudited cash and investment balance of $6,059,122. For the fiscal year ending July 31, 2022, the District's General Fund is currently budgeting revenues of approximately $5,058,030 and operating expenditures of approximately $5,082,694. Additionally, for the fiscal year ending July 31, 2022, the District has identified approximately $3,251,250 of capital expenditures that may be funded by the General Fund. Any capital expenditures to be made from the General Fund will depend on the availability of cash and investment balances in such fund, the necessity of the project, and the need to maintain adequate reserve balances.

MANAGEMENT OF THE DISTRICT

The District is governed by a board of directors (the "Board"), which has control over and management supervision of all affairs of the District. All of the directors reside in the District. A directors' election is held within the District in May in even-numbered years. Directors are elected to serve four-year staggered terms. The current members and officers of the Board, along with their titles on the Board, are listed below.

Name	Title	Term Expires May
Bill Lyle	President	2024
Randy Rodriguez	Vice President	2024
Chris Tolle	Treasurer	2024
Gina Babineaux	Secretary	2022
Steve McConnell	Assistant Secretary	2022

The District does not employ a general manager or any other full-time employees. The District has contracted for utility system operating, bookkeeping, tax assessing and collecting services, and annual auditing of its financial statements as follows:

Tax Assessor/Collector – The District's Tax Assessor/Collector is Assessments of the Southwest, Inc., who is employed under an annual contract to perform the tax collection functions.

Bookkeeper – The District has contracted with Myrtle Cruz, Inc. for bookkeeping services.

Auditor – The financial statements of the District as of July 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" for a copy of the District's July 31, 2021, audited financial statements.

Utility System Operator – The District's utility system operator is Inframark, L.L.C.

Engineer – The consulting engineer for the District is Benchmark Engineering Corporation (the "Engineer").

Financial Advisor – The GMS Group, L.L.C., serves as Financial Advisor to the District, and is paid an hourly fee for certain work performed for the District and a contingent fee to be computed on each separate issuance of the bonds if and when such bonds are delivered.

Legal Counsel – Allen Boone Humphries Robinson LLP serves as Bond Counsel to the District and as general counsel for the District on matters other than the issuance of bonds. Fees paid for the Bond Counsel services will be paid from proceeds of the Bonds; such fees are contingent upon the sale and delivery of such Bonds.

DISTRICT INVESTMENT POLICY

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 in its portfolio. Funds of the District are invested in short-term U.S. Treasuries, certificates of deposit insured by the Federal Deposit Insurance Corporation ("FDIC") or secured by collateral evidenced by perfected safekeeping receipts held by a third-party bank, and public funds investment pools rated in the highest rating category by a nationally recognized rating service. The District does not currently own, nor does it anticipate, the inclusion of long-term securities or derivative products in the District portfolio.

DISTRICT DEBT

2021 Taxable Valuation	$666,461,204	(a)
Direct Debt:		
Remaining Outstanding Bonds	$34,955,000	(b)
The Bonds	$8,565,000	
Total Direct Debt	$43,520,000	
Estimated Overlapping Debt	$32,733,234	(c)
Direct and Estimated Overlapping Debt	$76,253,234	
Percentage of Direct Debt to:		
2021 Taxable Valuation	6.53%	
Percentage of Direct and Estimated Overlapping Debt to:		
2021 Taxable Valuation	11.44%	
2021 Tax Rate Per $100 of Assessed Value:		
Debt Service Tax	$0.42	
Maintenance Tax	$0.46	
Total 2021 Tax Rate	$0.88	
Cash and Temporary Investment Balances as of January 24, 2022:		
General Fund	$6,059,122	(d)
Debt Service Fund	$1,977,159	(e)

(a) Reflects the January 1, 2021 Certified Taxable Valuation according to data supplied to the District by FBCAD. See "DISTRICT TAX DATA" and "TAXING PROCEDURES."

(b) Excludes the Refunded Bonds. See “PLAN OF FINANCING – Outstanding Bonds.”

(c) See “Estimated Overlapping Debt” herein.

(d) Unaudited figure per the District’s records. See “DESCRIPTION OF THE DISTRICT’S SYSTEM – General Fund Operating History.”

(e) Neither Texas law nor the District's Bond Resolution requires that the District to maintain any particular balance in the Debt Service Fund. See "DISTRICT TAX DATA – Tax Adequacy of Tax Revenue.”

Estimated Overlapping Debt

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

		Estimated Overlapping	
Taxing Entity	**Approx. Outstanding Debt**	**Percent**	**Amount**
Fort Bend County	$631,658,234	0.82%	$5,153,269
Fort Bend County Drainage District	$25,405,000	0.82%	$208,710
Katy Independent School District	$1,974,820,230	1.39%	$27,371,255
Total Estimated Overlapping Debt			**$32,733,234**
The District (a)			$43,520,000
Total Direct & Estimated Overlapping Debt			**$76,253,234**

(a) Includes the Bonds; excludes the Refunded Bonds.

DISTRICT TAX DATA

Tax Rate and Collections

The following table sets forth the historical tax information collection experience of the District for the years 2017 through 2021, as of December 31, 2021. Such table has also been prepared based upon information from District records. Reference is made to such records for further and complete information.

Tax Year	Taxable Valuation	Tax Rate (a)	Tax Levy	Cumulative Tax Collections (b)	Tax Year Ended September 30
2021	$666,461,204	$0.88	$5,864,859	(c)	2022
2020	$664,057,548	$0.89	$5,910,112	100%	2021
2019	$646,210,713	$0.90	$5,815,896	100%	2020
2018	$649,260,258	$0.90	$5,843,342	100%	2019
2017	$636,184,282	$0.92	$5,852,895	100%	2018

(a) See “Tax Rate Distribution” herein.

(b) According to the District’s records, current tax collections have exceeded 98% each year for the past 5 years.

(c) The 2021 taxes are in the process of collections; such taxes become delinquent if not paid before February 1, 2022. See "TAXING PROCEDURES." According to the District’s records as of January 24, 2022, the 2021 taxes were approximately 83% collected.

Maintenance Tax

The Board has the statutory authority to levy and collect an annual ad valorem tax for maintenance and operation of the District and its facilities. Such tax is in addition to taxes that the District is authorized to levy for paying principal of and interest on, the Bonds and any tax bonds that may be issued in the future. The District's voters have authorized a maintenance tax of up to $1.50 per $100 of assessed valuation at an election held on February 5, 2005. See “Tax Rate Distribution” herein.

Tax Rate Distribution

The following table sets forth the tax rate distribution of the District for the years 2017 through 2021.

	2021	2020	2019	2018	2017
Debt Service	$0.42	$0.44	$0.45	$0.36	$0.36
Maintenance/Operation	$0.46	$0.45	$0.45	$0.54	$0.56
Total	**$0.88**	**$0.89**	**$0.90**	**$0.90**	**$0.92**

Additional Penalties

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

Principal Taxpayers

The list of principal taxpayers for 2021, and the other information provided in this table, were provided by FBCAD to the District's Tax Assessor/Collector based on certified tax rolls net of any exemptions from taxation. This table does not reflect any corrections pursuant to subsequent action of FBCAD.

Property Owner	Property Description	Property Value	Percent of Total
KM Pine Mill Ranch LP	Commercial	$3,414,000	0.51%
CenterPoint Energy Electric	Personal Property/Utilities	$1,681,220	0.25%
Zell Realty LLC	Commercial	$1,576,526	0.24%
RROC LLC	Commercial	$1,260,016	0.19%
Cornerstone Center LP	Commercial	$1,014,922	0.15%
H2O Express Car Wash	Personal Property	$977,870	0.15%
Norwich Properties LLC	Lot/House	$903,250	0.14%
Homeowner	Lot/House	$803,750	0.12%
Homeowner	Lot/House	$796,720	0.12%
Homeowner	Lot/House	$753,600	0.11%
	TOTALS	**$13,181,874**	**1.98%**

Analysis of Tax Base

Based on information provided to the District by its Tax Assessor/Collector, the following represents the composition of property comprising the gross tax roll valuations and exemptions for 2017 through 2021.

	Type of Property					
Tax Year	Land	Improvements	Personal Property	Gross Valuations	Exemptions	Taxable Valuations
2021	$111,176,600	$582,602,710	$4,641,480	$698,420,790	$31,959,586	$666,461,204
2020	$110,120,710	$571,621,042	$3,560,790	$685,302,542	$21,244,994	$664,057,548
2019	$110,080,960	$554,101,206	$3,210,840	$667,393,006	$21,182,293	$646,210,713
2018	$110,105,330	$552,904,060	$2,830,590	$665,839,980	$16,579,722	$649,260,258
2017	$99,605,880	$545,102,309	$1,870,660	$646,578,849	$10,394,567	$636,184,282

Estimated Overlapping Taxes

The following table sets forth all 2021 taxes levied by overlapping taxing jurisdictions. No recognition is given to local assessments for civic association dues, fire department contributions, solid waste disposal charges, or any other levy by entities other than political subdivisions.

Taxing Jurisdictions	2021 Tax Rate
Katy Independent School District	$1.351700
Fort Bend County	$0.438300
Fort Bend County Drainage District	$0.014500
Fort Bend County Emergency Services District No. 2 (a)	$0.100000
Overlapping Taxes	**$1.904500**
The District	$0.880000
Total Direct & Overlapping Taxes	**$2.784500**

(a) Certain of the residents in the District reside within Fort Bend County Emergency Services District No. 4, which levied a 2021 tax rate of $0.100000.

Tax Adequacy of Tax Revenue

The calculations shown below are solely for the purpose of illustration, reflect no net revenues of the System, no transfers of surplus funds from the District's Operating Fund to the Debt Service Fund, and no increase or decrease in assessed valuation over the 2021 Taxable Valuation and utilize a tax rate adequate to service the District's total debt service requirements after issuance of the Bonds.

Maximum Annual Debt Service Requirements (2037) $3,103,331

Requires a $0.50 debt service tax rate on the 2021 Taxable Valuation at 95% collection $3,165,691

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 and interest on the Bonds and any additional bonds payable from taxes that the District may hereafter issue (see "RISK FACTORS – Future Debt") and to pay the expenses of assessing and collecting such taxes. The District agrees in the Bond Resolution to levy such a tax from year to year as described more fully in this Official Statement under the caption "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 its water, wastewater, drainage, and park system (see "DISTRICT TAX DATA – Maintenance Tax") and for the payment of certain contractual obligations if authorized by the voters in the District.

Property Tax Code and County-Wide Appraisal District

Title 1 of the Texas Tax Code (the "Property Tax Code") specifies the taxing procedures of all political subdivisions of the State of Texas, including the District. Provisions of the Property Tax Code are complex and are not fully summarized 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 in 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 their respective county. Such appraisal values are subject to review and change by the Fort Bend Central Appraisal Review Board (the "Appraisal Review Board"). The Texas Comptroller of Public Accounts may provide for the administration and enforcement of uniform standards and procedures for appraisal of property.

Property Subject to Taxation by the District

Except for certain exemptions provided by Texas law, all real property, tangible personal property held or used for the production of income, mobile homes, and certain categories of intangible personal property with a tax situs in the District are subject to taxation by the District. Principal categories of exempt property include, but are not limited to, property owned by the State of Texas or its political subdivisions if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies, and personal effects; certain goods, wares, and merchandise in transit; farm products owned by the producer; certain property of charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; and most individually owned automobiles. In addition, the District may by its own action exempt residential homesteads of persons 65 years or older and of certain disabled persons, and travel trailers, 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 20% of the number of qualified voters who voted in the preceding election. The District is authorized by statute to disregard exemptions for the disabled and elderly if granting the exemption would impair the District's obligation to pay tax-supported debt incurred prior to adoption of the exemption by the District. Furthermore, the District must grant exemptions to disabled veterans, or certain surviving dependents of disabled veterans if requested, but only to the maximum extent of $5,000 to $12,000 of assessed valuation depending upon the disability rating of the veteran, if such rating is less than 100%. A veteran who receives a disability rating of 100% is entitled to the exemption for the full amount of the residential homestead. Additionally, subject to certain conditions, the surviving spouse of a disabled veteran is entitled to an exemption for the full value of the veteran's residence homestead to which the disabled veterans' exemption applied including the surviving spouse of a disabled veteran who would have qualified for such exemption if it had been in effect on the date the disabled veteran died. 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 homesteads 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.

Residential Homestead Exemptions. The Property Tax Code authorizes the governing body of each political subdivision in the State of Texas to exempt up to 20% of the appraised value of residential homesteads from ad valorem taxation. Where ad valorem taxes have previously been pledged for the payment of debt, the assessor and collector of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged if the cessation of the levy would impair the obligations of the contract by which the debt was created. The adoption of a homestead exemption may be considered each year, but must be adopted before July 1. The District has never adopted an order granting a general residential homestead exemption.

Freeport Goods and Goods-in-Transit Exemptions. A “Freeport Exemption” applies to goods, wares, 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 that are destined to be forwarded outside of Texas and that are detained in Texas for assembling, storing, manufacturing, processing, or fabricating for fewer 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 that 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 may designate all or part of the area within the District as a reinvestment zone. Thereafter, the City (after annexation), Fort Bend County, or the District, at the option and 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, including the District, has discretion to determine terms for its tax abatement agreements without regard to the terms approved by the other taxing jurisdictions.

Valuation of Property for Taxation

Generally, property in the District must be appraised by the Appraisal District at market value as of January 1 of each year. Once an appraisal roll is prepared and finally approved by the Appraisal Review Board, it is used by the District in establishing its tax rolls and tax rate. Assessments under the Property Tax Code are to be based on 100% of market value, as such is defined in the Property Tax Code. A residence homestead is required to be appraised solely on the basis of its value as a residence homestead regardless of whether residential use is considered to be the highest and best use 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 are valued at the price all such property would bring if sold as a unit to a purchaser who would continue the business. Landowners wishing to avail themselves of the agricultural use, open space, or timberland designation or residential real property inventory designation must apply for the designation, and the chief 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 for another. If a claimant receives the agricultural use designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use, including taxes for the previous three years for agricultural use, open space land and timberland. Developers in the District have waived their rights to agricultural use, open space, or timber land exemptions.

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 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 to formally include such values on its appraisal roll.

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

District and Taxpayer Remedies

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

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

Levy and Collection of Taxes

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

Rollback of Operation and Maintenance Tax Rate

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

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

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

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

The District. A determination as to a district's status as a Special Taxing Unit, Developed District or Developing District will be made by the Board of Directors on an annual basis. The Board of Directors designated the District as a Developed District for purposes of setting 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 other such taxing units. See "DISTRICT TAX DATA – Estimated 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. 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 and land designated for agricultural use and six months for all other property. Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, by taxpayer redemption rights (a taxpayer may redeem property within six months for commercial property, within two years for residence homesteads and land designated for agricultural use, and six months for all other property after the purchaser's deed issued at the foreclosure sale is filed in the county records), or by bankruptcy proceedings that restrict the collection of taxpayer debts. See "RISK FACTORS – Tax Collections."

The Effect of FIRREA on Tax Collections of the District

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

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

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

ANNEXATION, STRATEGIC PARTNERSHIP AGREEMENT, AND CONSOLIDATION

Annexation

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City of Houston, the District must conform to a City of Houston consent ordinance. Generally, the District may be annexed by the City of Houston without the District's consent, and the City cannot annex territory within the District unless it annexes the entire District; however, under legislation effective December 1, 2017, the City may not annex the District unless (i) such annexation has been approved by a majority of those voting in an election held for that purpose within the area to be annexed, and (ii) if the registered voters in the area to be annexed do not own more than 50 percent of the land in the area, a petition has been signed by more than 50 percent of the landowners consenting to the annexation. Notwithstanding the preceding sentence, the described election and petition process does not apply during the term of a strategic partnership agreement between the City and the District specifying the procedures for full purpose annexation of all or a portion of the District. See “Strategic Partnership,” for a description of the terms of the Strategic Partnership Agreement between the City and the District.

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

Strategic Partnership Agreement

The District is authorized to enter into a strategic partnership agreement with the City of Houston to provide the terms and conditions under which 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 to be annexed for full or limited purposes by the City. The terms of any such agreement would be determined by the City and the District and could provide for the conversion of a limited purpose annexation to a general purpose annexation or the payment of a fee by the District based on the costs of providing municipal services to the District. The agreement could also provide for the collection of the City’s sales and use taxes within the District. Although the City has negotiated and entered into such an agreement with many 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

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

THE BONDS

General

The Bond Resolution authorizes the issuance and sale of the Bonds and prescribes terms, conditions and provisions for the payment of the principal of and interest on the Bonds by the District. Set forth below is a summary of certain provisions of the Bond Resolution. Capitalized terms in such summary are used as defined in the Bond Resolution. Such summaries are not a complete description of the Bond Resolution and are qualified in their entirety by reference to the Bond Resolution, copies of which are available from the District's Bond Counsel upon request.

The Bonds are dated and will bear interest from April 7, 2022, at the per annum rates shown on the cover page hereof. Interest on the Bonds is payable October 1, 2022, and each April 1 and October 1 thereafter until the earlier of maturity or redemption. The Record Date on the Bonds is the 15th day of the calendar month next preceding the interest payment date.

The Bonds will be issued only in fully registered form in any integral multiple of $5,000 of principal amount for any one maturity and will be initially registered and delivered only to Cede & Co., the nominee of the Depository Trust Company ("DTC"), pursuant to the Book-Entry-Only System described herein. No physical delivery of the Bonds will be made to the owners thereof. Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the beneficial owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM" herein.

In the event that the Book-Entry-Only System is discontinued, interest on the Bonds shall be payable by check on or before each interest payment date, mailed by the Paying Agent/Registrar to the registered owners ("Registered Owners") as shown on the bond register (the "Register") kept by the Paying Agent/Registrar at the close of business on the 15th calendar day of the month immediately preceding each interest payment date to the address of such Registered Owner as shown on the Register, or by such other customary banking arrangements as may be agreed upon by the Paying Agent/Registrar and a Registered Owner at the risk and expense of such Registered Owner.

Optional Redemption

The District reserves the right to redeem, prior to maturity the Bonds maturing on or after April 1, 2032, in whole or in part from time to time, on April 1, 2031, or on any date thereafter, at a price of par plus accrued interest to the date of redemption. If fewer than all of the Bonds are to be redeemed, the particular Bonds to be redeemed will be selected by the District. Notice of each exercise of the right of redemption will be given at least thirty days prior to the date fixed for redemption by mailing written notice by first class mail to each of the Registered Owners (the "Registered Owners") of the Bonds to be redeemed. When the Bonds have been called for redemption, they will become due and payable on the redemption date.

Source of and Security for Payment

The Bonds are secured by and payable from the levy of a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property in the District. In the Bond Resolution, the District covenants to levy a sufficient tax to pay principal of and interest on the Bonds, with full allowance being made for delinquencies, costs of collections, Registrar fees, and Appraisal District fees. 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.

Defeasance

The Bond Resolution provides that the District may discharge its obligations to the Registered Owners of any or all of the Bonds to pay principal, interest and redemption price thereon in any manner permitted by law. Under current tax 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 and all interest to accrue on the Bonds to maturity or redemption, or (ii) by depositing with any place of payment (paying agent) of the Bonds or other obligations of the District payable from revenues or from ad valorem taxes or both, amounts sufficient to provide for the payment and/or redemption of the Bonds; provided that such deposits may be invested and reinvested only in (a) direct noncallable obligations of the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the District adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision or 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 that would permit investments other than those described above to be made with amounts deposited to defease the Bonds.

Funds

The Bond Resolution confirms the District's Debt Service Fund, which is to be kept separate from all other funds of the District and used for payment of debt service on the Bonds, any outstanding bonds, and any additional bonds payable from taxes that may be issued in the future by the District. Amounts on deposit in the Debt Service Fund may also be used to pay the fees and expenses of the Registrar.

No Arbitrage

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

Paying Agent/Registrar

Pursuant to the Bond Resolution, the initial paying agent and initial registrar with respect to the Bonds is The Bank of New York Mellon Trust Company, N.A., Dallas, Texas. The District will maintain at least one Registrar, where the Bonds may be surrendered for transfer and/or for exchange or replacement for other Bonds and for the purpose of maintaining the Bond Register on behalf of the District. The Registrar is required at all times to be a duly qualified banking corporation or association organized and doing business under the laws of the United States of America, or of any state thereof, and subject to supervision or examination by federal or state banking authorities.

The District reserves the right and authority to change any paying agent/registrar and, upon any such change, the District covenants and agrees in the Bond Resolution to promptly cause written notice thereof, specifying the name and address of such successor paying agent/registrar, to be sent to each Registered Owner of the Bonds by United States mail, first class, postage prepaid.

Registration and Transfer

In the event the Book-Entry-Only System should be discontinued, the Bonds will be transferable only on the Bond Register kept by the Registrar upon surrender and reissuance. The Bonds are exchangeable for an equal principal amount of Bonds of the same maturity and of any authorized denomination upon surrender of the Bonds to be exchanged at the operations office of the Registrar in Dallas, Texas. See "BOOK-ENTRY-ONLY SYSTEM" above for a description of the system to be utilized initially in regard to the ownership and transferability of the Bonds. Every Bond presented or surrendered for transfer is required to be duly endorsed or accompanied by a written instrument of transfer, in a form satisfactory to the Registrar. Neither the Registrar nor the District is required (1) to transfer or exchange any Bond during the period beginning at the opening of business on a Record Date (defined herein) and ending at the close of business on the next succeeding interest payment date, or (2) to transfer or exchange any Bond selected for redemption in whole or in part within thirty calendar days of the redemption date. No service charge will be made for any transfer or exchange, but the District or the Registrar may require payment of a sum sufficient to cover any tax or governmental charge payable in connection therewith.

Lost, Stolen or Destroyed Bonds

In the event the Book-Entry-Only System is discontinued, the District has agreed to replace mutilated, destroyed, lost, or stolen Bonds upon surrender of the mutilated Bonds or receipt of satisfactory evidence of such destruction, loss, or theft and receipt by the District and the Registrar of security or indemnity as may be required by either of them to keep them harmless. The District will require payment of taxes, governmental charges, and expenses in connection with any such replacement.

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 authorities, 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 authorities, public agencies, and bodies politic, to the extent of the market value of the bonds, notes, and other obligations when accompanied by any un-matured 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.

Issuance of Additional Debt

The District may issue additional bonds, with the approval of the TCEQ, necessary to provide and rehabilitate improvements and facilities consistent with the purposes for which the District was created. See "THE DISTRICT – Authority." The District's voters have authorized the issuance of a total of $72,000,000 of unlimited tax bonds and could authorize additional amounts. The District has $22,480,000 of unlimited tax bonds for water, sewer, and drainage facilities, $44,855,000 of unlimited tax bonds for refunding purposes, and $1,475,000 of unlimited tax bonds for parks and recreational facilities that will remain authorized, but unissued, after the issuance of the Bonds. Depending upon the District's future issuance of tax-supported debt and the development of the District's tax base, increases in the District's annual ad valorem tax rate may be required to provide for the payment of principal of and interest on the District's current bonded indebtedness and any future tax-supported debt issued by the District. The Bond Resolution imposes no limitation on the amount of additional parity bonds that may be issued by the District (if authorized by the District's voters and approved by the Board and the TCEQ).

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

Current law may be changed in a manner to increase the amount of bonds that may be issued as related to a percentage of the value of taxable property or to allow a higher or lower maintenance tax rate for such purposes. The levy of taxes for such purposes may dilute the security for the Bonds.

BOOK-ENTRY-ONLY SYSTEM

The information in this section concerning DTC and DTC’s book-entry-only 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 Standard & Poor’s rating of “AA+.” The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

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

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

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

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

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

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

LEGAL MATTERS

Legal Proceedings

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

Legal Review

In its capacity as Bond Counsel, Allen Boone Humphries Robinson LLP has reviewed the information appearing in this Official Statement under the captions "CONTINUING DISCLOSURE OF INFORMATION – SEC RULE 15c2-12 (except for the information under the caption "– Compliance with Prior Undertakings"), "PLAN OF FINANCING," "THE DISTRICT – Authority," "TAXING PROCEDURES," "ANNEXATION, STRATEGIC PARTNERSHIP AGREEMENT, AND CONSOLIDATION," "THE BONDS," "LEGAL MATTERS – Legal Proceedings" (to the extent such section relates to the opinion of Bond Counsel) and "– Legal Review," and "TAX MATTERS" solely to determine whether such information fairly summarizes the documents and legal matters referred to therein. Bond Counsel has not, however, independently verified any of the other factual information contained in this Official Statement, nor has it conducted an investigation of the affairs of the District for the purpose of passing upon the accuracy or completeness of any of the other information contained herein. No person is entitled to rely upon Bond Counsel's limited participation as an assumption of responsibility for, or an expression of opinion of any kind, with regard to the accuracy or completeness of any information contained herein, other than the matters discussed immediately above.

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

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

No-Litigation Certificate

On the date of delivery of the Bonds, the District will execute and deliver a certificate to the effect that there is not pending, and to the knowledge of the District, there is not threatened, any litigation affecting the validity of the Bonds, or the levy and/or collection of taxes for the payment thereof, or the organization or boundaries of the District, or the title of the officers thereof to their respective offices.

No Material Adverse Change

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

TAX MATTERS

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

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

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

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

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

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

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

Qualified Tax-Exempt Obligations

The Code requires a pro rata reduction in the interest expense deduction of a financial institution to reflect such financial institution's investment in tax-exempt obligations acquired after August 7, 1986. An exception to the foregoing provision is provided in the Code for "qualified tax-exempt obligations," which include tax-exempt obligations, such as the Bonds, (a) designated by the District as "qualified tax-exempt obligations" and (b) issued by or on behalf of a political subdivision for which the aggregate amount of tax-exempt obligations (not including private activity bonds other than qualified 501(c) (3) bonds) to be issued during the calendar year is not expected to exceed $10,000,000.

The District has designated the Bonds as "qualified tax-exempt obligations" and represents that the aggregate amount of tax-exempt bonds (including the Bonds) issued by the District and entities aggregated with the District under the Code during calendar year 2022 is not expected to exceed $10,000,000 and that the District and entities aggregated with the District under the Code have not designated more than $10,000,000 in "qualified tax-exempt obligations" (including the Bonds) during calendar year 2022.

Notwithstanding these exceptions, financial institutions acquiring the Bonds will be subject to a 20% disallowance of allocable interest expense.

REGISTRATION AND QUALIFICATION UNDER SECURITIES LAWS

The offer and sale of the Bonds have not been registered or qualified under the Securities Act of 1933, as amended, in reliance upon the exemptions provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein, and the Bonds have not been registered or qualified under the securities laws of any other jurisdiction. The District assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated 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 provisions.

VERIFICATION OF ACCURACY OF MATHEMATICAL COMPUTATIONS

Robert Thomas CPA, LLC will deliver to the District, on or before the settlement date of the Bonds, its verification report indicating that it has verified the mathematical accuracy of (a) the mathematical computations of the adequacy of the cash deposited to pay the maturing principal of, interest on and related call premium requirements, if any, of the Refunded Bonds, (b) the mathematical computations related to certain requirements of the City of Houston Ordinance No. 97-416, as amended, and (c) the mathematical computations of yield used by Bond Counsel to support its opinion that interest on the Bonds will be excluded from gross income for federal income tax purposes.

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

OFFICIAL STATEMENT

Sources of Information

The information contained in this Official Statement has been obtained primarily from the District's records, the Engineer, the Tax Assessor/Collector, and other sources that are believed to be reliable, but no representation is made as to the accuracy or completeness of the information derived from such other sources. The summaries of the statutes, orders, Resolution and engineering and other related reports set forth in the 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

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

Consultants

In approving this Official Statement, the District has relied upon the following consultants:

Engineer – The information contained in this Official Statement relating to engineering matters generally and to the description of the System and, in particular, that information included in the sections entitled "DESCRIPTION OF THE DISTRICT'S SYSTEM" and certain engineering matters included in "THE DISTRICT – Description and Location" and "THE DISTRICT – Land Uses and Status of Land Development," has been provided by Benchmark Engineering Corporation and has been included in reliance upon the authority of such firm as an expert in the field of civil engineering.

Tax Assessor/Collector – The information contained in this Official Statement relating to the estimated assessed valuation of property and, in particular, such information contained in the section captioned "DISTRICT TAX DATA," has been provided by the Fort Bend Central Appraisal District and by Assessments of the Southwest, Inc., in reliance upon their authority as experts in the field of tax assessing and appraising.

Auditor – The financial statements of the District as of July 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."

Continuing Availability of Financial Information

Pursuant to Texas law, the District has its financial statements prepared in accordance with generally accepted accounting principles and has its financial statements audited by a certified public accountant in accordance with generally accepted auditing standards within 120 days after the close of its fiscal year. The District's audited financial statements are required to be filed with the TCEQ within 135 days after the close of its fiscal year.

The District's financial records and audited financial statements are available for public inspection during regular business hours at the office of the District and copies will be provided on written request, to the extent permitted by law, upon payment of copying charges. Requests for copies should be addressed to the District in care of Allen Boone Humphries Robinson LLP, Phoenix Tower, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027.

Certification as to Official Statement

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

Updating of Official Statement

The District will keep the Official Statement current by amendment or sticker to reflect material changes in the affairs of the District and, to the extent that information comes to its attention, in the other matters described in the Official Statement, until the delivery of the Bonds. All information with respect to the resale of the Bonds shall be the responsibility of the Underwriters.

MISCELLANEOUS

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

This Official Statement was approved by the Board of Directors of Fort Bend County Municipal Utility District No. 57 as of the date shown on the cover page.

APPENDIX A

AUDITED FINANCIAL STATEMENTS OF THE DISTRICT

FOR THE FISCAL YEAR ENDED JULY 31, 2021

Fort Bend County Municipal Utility District No. 57

Fort Bend County, Texas

Independent Auditor's Report and Financial Statements

July 31, 2021

BKD

CPAs & Advisors

Fort Bend County Municipal Utility District No. 57
July 31, 2021

Contents

BKD
CPAs & Advisors

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Independent Auditor's Report

Board of Directors
Fort Bend County Municipal Utility District No. 57
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. 57 (the District), as of and for the year ended July 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 July 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 schedules listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

BKD, LLP

Houston, Texas
December 8, 2021

Fort Bend County Municipal Utility District No. 57

Management's Discussion and Analysis

July 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.

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	$ 10,686,643	$ 11,128,310
Capital assets	43,634,288	43,205,504
Total assets	54,320,931	54,333,814
Deferred outflows of resources	1,583,134	1,144,995
Total assets and deferred outflows of resources	$ 55,904,065	$ 55,478,809
Long-term liabilities	$ 44,644,059	$ 45,369,595
Other liabilities	1,014,983	1,131,280
Total liabilities	45,659,042	46,500,875
Net position:		
Net investment in capital assets	943,075	(243,099)
Restricted	2,291,774	2,252,544
Unrestricted	7,010,174	6,968,489
Total net position	$ 10,245,023	$ 8,977,934

The total net position of the District increased by $1,267,089 or approximately 14 percent. The majority of the increase in net position is related to property tax revenues intended to pay principal on the District's bonded indebtedness, which is included in long-term liabilities in the government-wide financial statements. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Fort Bend County Municipal Utility District No. 57

Management's Discussion and Analysis (Continued)

July 31, 2021

Summary of Changes in Net Position

	2021	2020
Revenues:		
Property taxes	$ 5,909,148	$ 5,815,443
Charges for services	2,722,193	2,645,604
Other revenues	143,827	1,098,749
Total revenues	8,775,168	9,559,796
Expenses:		
Services	3,766,998	3,870,189
Depreciation	1,641,990	1,409,699
Debt service	2,099,091	1,997,572
Total expenses	7,508,079	7,277,460
Change in net position	1,267,089	2,282,336
Net position, beginning of year	8,977,934	6,695,598
Net position, end of year	$ 10,245,023	$ 8,977,934

Financial Analysis of the District's Funds

The District's combined fund balances as of the end of the fiscal year ended July 31, 2021, were $10,063,446, a decrease of $399,454 from the prior year.

The general fund's fund balance increased by $70,637. This increase was primarily related to property tax and service revenues and other income exceeding operating and capital outlay expenditures.

The joint water plant and joint sewer plant funds' fund balances remained the same, as all expenditures were billed to the participants.

The debt service fund's fund balance decreased by $45,549 due to utilizing existing debt service fund monies towards the current year refunding bond transaction.

The capital projects fund's fund balance decreased by $423,542, primarily due to a transfer to the debt service fund.

General Fund Budgetary Highlights

There were several differences between the final budgetary amounts and actual amounts. The major differences between budget and actual were due to property tax revenues being greater than anticipated and purchased services, repairs and maintenance, and capital outlay expenditures being less than anticipated. The fund balance as of July 31, 2021, was expected to be $4,398,897 and the actual end-of-year fund balance was $6,999,836.

Capital Assets and Related Debt

Capital Assets

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

Capital Assets (Net of Accumulated Depreciation)

	2021	2020
Land	$ 8,569,794	$ 8,569,794
Construction in progress	70,221	1,616,748
Water facilities	5,498,106	5,684,468
Wastewater facilities	12,118,552	12,294,367
Drainage facilities	9,463,667	9,764,591
Parks and improvements	7,913,948	5,275,536
Total capital assets	$ 43,634,288	$ 43,205,504

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

Construction in progress related to landscaping along Pine Mill Ranch Drive	$ 70,221
Reclaimed wastewater irrigation improvements	537,111
Wastewater treatment plant screen replacement	285,651
Pine Mill Ranch Drive landscaping	1,177,791
Total additions to capital assets	$ 2,070,774

Debt

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

Long-term debt payable, beginning of year	$ 45,369,595
Increases in long-term debt	21,480,913
Decreases in long-term debt	(22,206,449)
Long-term debt payable, end of year	$ 44,644,059

During the fiscal year ended July 31, 2021, the District issued $20,680,000 in unlimited tax refunding bonds to refund $7,565,000 of outstanding Series 2015 refunding bonds, $11,185,000 of outstanding Series 2015A bonds, and $2,160,000 of outstanding Series 2016A bonds. The District refunded the bonds to reduce total debt service payments over future years by $3,423,803 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $2,591,053.

At July 31, 2021, the District had $22,480,000 of unlimited tax bonds authorized, but unissued, for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage systems within the District and $1,475,000 of recreational facilities bonds authorized, but unissued, for the purposes of constructing park and recreational facilities within the District.

The District's bonds carry an underlying rating of "BBB+" from Standard & Poor's. The District's Series 2015 refunding, Series 2019 refunding, and Series 2021 refunding bonds carry a rating of "AA" from Standard & Poor's by virtue of bond insurance issued by Assured Guaranty Municipal Corp. The Series 2013B, 2014, 2015B, 2016B, and 2020 refunding bonds carry a rating of "AA" 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.

Fort Bend County Municipal Utility District No. 57
Statement of Net Position and Governmental Funds Balance Sheet
July 31, 2021

	General Fund	Joint Water Plant Fund	Joint Sewer Plant Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets								
Cash	$ 291,471	$ 80,429	$ 21,387	$ 71,883	$ 542,679	$ 1,007,849	$ -	$ 1,007,849
Certificates of deposit	1,697,102	-	-	734,866	-	2,431,968	-	2,431,968
Short-term investments	5,228,665	-	-	1,740,368	-	6,969,033	-	6,969,033
Receivables:								
Property taxes	10,338	-	-	10,150	-	20,488	-	20,488
Service accounts	96,192	-	-	-	-	96,192	-	96,192
Accrued interest	2,910	-	-	1,888	-	4,798	-	4,798
Due from participants	-	129,372	20,410	-	-	149,782	-	149,782
Interfund receivable	131,111	124,013	18,770	812	-	274,706	(274,706)	-
Prepaid expenditures	6,533	-	-	-	-	6,533	-	6,533
Capital assets (net of accumulated depreciation):								
Land and improvements	-	-	-	-	-	-	8,569,794	8,569,794
Construction in progress	-	-	-	-	-	-	70,221	70,221
Infrastructure	-	-	-	-	-	-	27,080,325	27,080,325
Parks and improvements	-	-	-	-	-	-	7,913,948	7,913,948
Total assets	7,464,322	333,814	60,567	2,559,967	542,679	10,961,349	43,359,582	54,320,931
Deferred Outflows of Resources								
Deferred amount on debt refundings	0	0	0	0	0	0	1,583,134	1,583,134
Total assets and deferred outflows of resources	$ 7,464,322	$ 333,814	$ 60,567	$ 2,559,967	$ 542,679	$ 10,961,349	$ 44,942,716	$ 55,904,065

Fort Bend County Municipal Utility District No. 57

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

July 31, 2021

	General Fund	Joint Water Plant Fund	Joint Sewer Plant Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Liabilities								
Accounts payable	$ 161,910	$ 176,314	$ 25,567	$ -	$ 275	$ 364,066	$ -	$ 364,066
Accrued interest payable	-	-	-	-	-	-	412,274	412,274
Customer deposits	148,643	-	-	-	-	148,643	-	148,643
Operating deposits	-	80,000	10,000	-	-	90,000	-	90,000
Interfund payable	143,595	-	-	10,906	120,205	274,706	(274,706)	-
Long-term liabilities:								
Due within one year	-	-	-	-	-	-	1,590,000	1,590,000
Due after one year	-	-	-	-	-	-	43,054,059	43,054,059
Total liabilities	454,148	256,314	35,567	10,906	120,480	877,415	44,781,627	45,659,042
Deferred Inflows of Resources								
Deferred property tax revenues	10,338	0	0	10,150	0	20,488	(20,488)	0

Fort Bend County Municipal Utility District No. 57

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

July 31, 2021

	General Fund	Joint Water Plant Fund	Joint Sewer Plant Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Fund Balances/Net Position								
Fund balances:								
Nonspendable, prepaid expenditures	$ 6,533	$ -	$ -	$ -	$ -	$ 6,533	$ (6,533)	$ -
Restricted:								
Unlimited tax bonds	-	-	-	2,538,911	-	2,538,911	(2,538,911)	-
Water, sewer and drainage	-	-	-	-	422,199	422,199	(422,199)	-
Committed:								
Water production and distribution	-	77,500	-	-	-	77,500	(77,500)	-
Wastewater collection and treatment	-	-	25,000	-	-	25,000	(25,000)	-
Assigned, future expenditures	3,275,914	-	-	-	-	3,275,914	(3,275,914)	-
Unassigned	3,717,389	-	-	-	-	3,717,389	(3,717,389)	-
Total fund balances	6,999,836	77,500	25,000	2,538,911	422,199	10,063,446	(10,063,446)	0
Total liabilities, deferred inflows of resources and fund balances	$ 7,464,322	$ 333,814	$ 60,567	$ 2,559,967	$ 542,679	$ 10,961,349		
Net position:								
Net investment in capital assets							943,075	943,075
Restricted for plant operations							102,500	102,500
Restricted for debt service							2,136,787	2,136,787
Restricted for capital projects							52,487	52,487
Unrestricted							7,010,174	7,010,174
Total net position							$ 10,245,023	$ 10,245,023

Fort Bend County Municipal Utility District No. 57

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

Year Ended July 31, 2021

	General Fund	Joint Water Plant Fund	Joint Sewer Plant Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues								
Property taxes	$ 2,999,183	$ -	$ -	$ 2,932,965	$ -	$ 5,932,148	$ (23,000)	$ 5,909,148
Water service	652,850	-	-	-	-	652,850	-	652,850
Sewer service	353,104	-	-	-	-	353,104	-	353,104
Service to other districts	-	1,973,647	497,307	-	-	2,470,954	(1,695,709)	775,245
Regional water fee	940,994	-	-	-	-	940,994	-	940,994
Penalty and interest	24,637	-	-	39,397	-	64,034	-	64,034
Tap connection and inspection fees	9,000	-	-	-	-	9,000	-	9,000
Investment income	18,646	133	22	6,197	623	25,621	-	25,621
Other income	45,172	-	-	-	-	45,172	-	45,172
Total revenues	5,043,586	1,973,780	497,329	2,978,559	623	10,493,877	(1,718,709)	8,775,168
Expenditures/Expenses								
Service operations:								
Purchased services	1,695,709	1,413,048	-	-	-	3,108,757	(1,695,709)	1,413,048
Regional water fee	-	314,468	-	-	-	314,468	-	314,468
Professional fees	212,576	25,691	20,309	8,514	-	267,090	17,147	284,237
Contracted services	461,416	25,362	38,530	68,326	-	593,634	-	593,634
Utilities	115,688	57,084	70,213	-	-	242,985	-	242,985
Repairs and maintenance	296,738	129,677	350,571	-	-	776,986	22,281	799,267
Other expenditures	50,565	8,450	17,706	7,268	334	84,323	-	84,323
Tap connections	35,036	-	-	-	-	35,036	-	35,036
Capital outlay	2,105,221	-	-	-	4,981	2,110,202	(2,110,202)	-
Depreciation	-	-	-	-	-	-	1,641,990	1,641,990
Debt service:								
Principal retirement	-	-	-	1,690,000	-	1,690,000	(1,690,000)	-
Interest and fees	-	-	-	1,214,811	-	1,214,811	223,969	1,438,780
Debt issuance costs	-	-	-	660,311	-	660,311	-	660,311
Debt defeasance	-	-	-	455,850	-	455,850	(455,850)	-
Total expenditures/expenses	4,972,949	1,973,780	497,329	4,105,080	5,315	11,554,453	(4,046,374)	7,508,079
Excess (Deficiency) of Revenues Over Expenditures	70,637	0	0	(1,126,521)	(4,692)	(1,060,576)	2,327,665	

Fort Bend County Municipal Utility District No. 57

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

Year Ended July 31, 2021

	General Fund	Joint Water Plant Fund	Joint Sewer Plant Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Other Financing Sources (Uses)								
General obligation bonds issued	$ -	$ -	$ -	$ 20,680,000	$ -	$ 20,680,000	$ (20,680,000)	
Premium on debt issued	-	-	-	800,913	-	800,913	(800,913)	
Payment to escrow agent	-	-	-	(20,819,791)	-	(20,819,791)	20,819,791	
Interfund transfers in (out)	-	-	-	418,850	(418,850)	-	-	
Total other financing sources (uses)	0	0	0	1,079,972	(418,850)	661,122	(661,122)	
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	70,637	-	-	(46,549)	(423,542)	(399,454)	399,454	
Change in Net Position							1,267,089	$ 1,267,089
Fund Balances/Net Position								
Beginning of year	6,929,199	77,500	25,000	2,585,460	845,741	10,462,900	-	8,977,934
End of year	$ 6,999,836	$ 77,500	$ 25,000	$ 2,538,911	$ 422,199	$ 10,063,446	$ 0	$ 10,245,023

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

Fort Bend County Municipal Utility District No. 57 (the District) was created by an order of the Texas Water Commission, now known as the Texas Commission on Environmental Quality (the Commission), effective November 21, 1984, in accordance with the provisions of Article XVI, Section 59, of the Constitution of the State of Texas. The District held its first meeting, an organizational meeting, on August 5, 2004. The District operates in accordance with Chapters 49 and 54 of the Texas Water Code and is subject to the continuing supervision of the Commission. The principal functions of the District are to finance, construct, own and operate waterworks, wastewater, drainage facilities and parks 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.

Special Revenue Funds – The special revenue funds account for revenues and expenditures involving specific revenue sources that are legally restricted to expenditures for specified purposes. The primary source of revenue is participant fees. The joint water plant fund and joint sewer plant funds are considered special revenue funds.

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

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

Fund Balances – Governmental Funds

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

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

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

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

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

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

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

Measurement Focus and Basis of Accounting

Government-wide Financial Statements

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

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

Fund Financial Statements

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

Deferred Outflows and Inflows of Resources

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

Interfund Transactions

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

Pension Costs

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

Use of Estimates

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

Investments and Investment Income

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

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

Property Taxes

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

In the governmental funds, property taxes are initially recorded as receivables and deferred inflows of resources at the time the tax levy is billed. Revenues recognized during the fiscal year ended July 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 July 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
Parks and improvements	10-20

Deferred Amount on Debt Refundings

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

Debt Issuance Costs

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

Long-term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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 of the following.

Fort Bend County Municipal Utility District No. 57
Notes to Financial Statements
July 31, 2021

Capital assets used in governmental activities are not financial resources and are not reported in the funds.	$	43,634,288
Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements.		20,488
Deferred amount on debt refundings for governmental activities are not financial resources and are not reported in the funds.		1,583,134
Accrued interest on long-term liabilities is not payable with current financial resources and is not reported in the funds.		(412,274)
Long-term debt obligations are not due and payable in the current period and are not reported in the funds.		(44,644,059)
Adjustment to fund balances to arrive at net position.	$	181,577

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.	$	(399,454)
Governmental funds report capital outlays as expenditures. However, for government-wide financial statements, the cost of capitalized assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay expenditures exceeded depreciation and noncapitalized costs in the current period.		428,784
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.		2,285,641
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.		(800,913)

Revenues collected in the current year, which have previously been reported in the statement of activities, are reported as revenues in the governmental funds.	$	(23,000)
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.		(223,969)
Change in net position of governmental activities.	$	1,267,089

Note 2: Deposits, Investments and Investment Income

Deposits

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

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

At July 31, 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 by a nationally recognized investment rating firm of not less than "A" or its equivalent, bonds issued, assumed or guaranteed by the State of Israel, insured or collateralized certificates of deposit, and certain bankers' acceptances, repurchase agreements, mutual funds, commercial paper, guaranteed investment contracts and investment pools.

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

The District invests in TexSTAR, an external investment pool that is not registered with the Securities and Exchange Commission. A Board of Directors, made up of participants and representatives of the administrator and investment manager, has oversight of TexSTAR. The District's investments may be redeemed at any time.

At July 31, 2021, the District had the following investments and maturities:

		Maturities in Years			
Type	**Amortized Cost**	**Less Than 1**	**1-5**	**6-10**	**More Than 10**
TexSTAR	$ 6,969,033	$ 6,969,033	$ 0	$ 0	$ 0

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

Credit Risk. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At July 31, 2021, the District's investments in TexSTAR were rated "AAAm" by Standard & Poor's.

Summary of Carrying Values

The carrying values of deposits and investments shown previously are included in the balance sheet at July 31, 2021, as follows:

Carrying value:	
Deposits	$ 3,439,817
Investments	6,969,033
Total	$ 10,408,850

Included in the following statement of net position captions:

Cash	$ 1,007,849
Certificates of deposit	2,431,968
Short-term investments	6,969,033
Total	$ 10,408,850

Fort Bend County Municipal Utility District No. 57
Notes to Financial Statements
July 31, 2021

Investment Income

Investment income of $25,621 for the year ended July 31, 2021, consisted of interest income.

Note 3: Capital Assets

A summary of changes in capital assets for the year ended July 31, 2021, is presented below:

Governmental Activities	Balances, Beginning of Year	Additions	Reclassi-fications	Balances, End of Year
Capital assets, non-depreciable:				
Land and improvements	$ 8,569,794	$ -	$ -	$ 8,569,794
Construction in progress	1,616,748	70,221	(1,616,748)	70,221
Total capital assets, depreciable	10,186,542	70,221	(1,616,748)	8,640,015
Capital assets, depreciable:				
Water production and distribution facilities	7,667,582	-	-	7,667,582
Wastewater collection and treatment facilities	16,098,220	285,651	-	16,383,871
Drainage facilities	12,315,430	-	-	12,315,430
Parks and improvements	7,596,430	1,714,902	1,616,748	10,928,080
Total capital assets, depreciable	43,677,662	2,000,553	1,616,748	47,294,963
Less accumulated depreciation:				
Water production and distribution facilities	(1,983,114)	(186,362)	-	(2,169,476)
Wastewater collection and treatment facilities	(3,803,853)	(461,466)	-	(4,265,319)
Drainage facilities	(2,550,839)	(300,924)	-	(2,851,763)
Parks and improvements	(2,320,894)	(693,238)	-	(3,014,132)
Total accumulated depreciation	(10,658,700)	(1,641,990)	0	(12,300,690)
Total governmental activities, net	$ 43,205,504	$ 428,784	$ 0	$ 43,634,288

Note 4: Long-term Liabilities

Changes in long-term liabilities for the year ended July 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	$ 45,795,000	$ 20,680,000	$ 22,600,000	$ 43,875,000	$ 1,590,000
Add premium on bonds	201,381	800,913	27,907	974,387	-
Less discounts on bonds	626,786	-	421,458	205,328	-
Total governmental activities long-term liabilities	$ 45,369,595	$ 21,480,913	$ 22,206,449	$ 44,644,059	$ 1,590,000

General Obligation Bonds

	Series 2013B	Series 2014
Amounts outstanding, July 31, 2021	$330,000	$9,120,000
Interest rates	2.40% to 2.50%	3.00% to 4.00%
Maturity dates, serially beginning/ending	April 1, 2022/2023	April 1, 2022/2040
Interest payment dates	October 1/April 1	October 1/April 1
Callable dates*	None	April 1, 2022

	Refunding Series 2015	Series 2015B
Amounts outstanding, July 31, 2021	$360,000	$2,075,000
Interest rates	2.25%	2.50% to 3.00%
Maturity dates, serially beginning/ending	April 1, 2022	April 1, 2022/2025
Interest payment dates	October 1/April 1	October 1/April 1
Callable dates*	April 1, 2021	None

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

	Series 2016B	Refunding Series 2019
Amounts outstanding, July 31, 2021	$1,715,000	$5,495,000
Interest rates	2.625% to 3.000%	3.00%
Maturity dates, serially beginning/ending	April 1, 2022/2033	April 1, 2022/2040
Interest payment dates	October 1/April 1	October 1/April 1
Callable dates*	April 1, 2021	April 1, 2025

	Refunding Series 2020	Refunding Series 2021
Amounts outstanding, July 31, 2021	$4,325,000	$20,455,000
Interest rates	2.00% to 3.00%	1.375% to 3.000%
Maturity dates, serially beginning/ending	April 1, 2022/2040	April 1, 2022/2042
Interest payment dates	October 1/April 1	October 1/April 1
Callable dates*	April 1, 2025	April 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 July 31, 2021:

Year	Principal	Interest	Total
2022	$ 1,590,000	$ 1,236,821	$ 2,826,821
2023	1,750,000	1,193,280	2,943,280
2024	1,825,000	1,139,632	2,964,632
2025	1,890,000	1,081,380	2,971,380
2026	1,930,000	1,024,681	2,954,681
2027-2031	10,805,000	4,386,002	15,191,002
2032-2036	12,945,000	2,778,682	15,723,682
2037-2041	11,035,000	762,957	11,797,957
2042	105,000	2,100	107,100
Total	$ 43,875,000	$ 13,605,535	$ 57,480,535

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

Bonds voted:	
Water, sewer and drainage facilities	$ 72,000,000
Recreational facilities	7,800,000
Bonds sold:	
Water, sewer and drainage facilities	49,520,000
Recreational facilities	6,325,000
Refunding bonds voted	46,000,000
Refunding bonds authorization used	1,145,000

Note 5: Significant Bond Resolution and Commission Requirements

A. The Bond Resolutions require that the District levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due. During the year ended July 31, 2021, the District levied an ad valorem debt service tax at the rate of $0.4400 per $100 of assessed valuation, which resulted in a tax levy of $2,921,897 on the taxable valuation of $664,067,548 for the 2020 tax year. The interest and principal requirements to be paid from the tax revenues and available resources are $2,780,996 of which $2,162,586 has been paid and $618,410 is due October 1, 2021.

B. The Commission required the District to escrow $24,364 from the proceeds of its Series 2010 bonds. At the balance sheet date, the escrowed funds were invested in a money market account.

C. During the current year, the District transferred $418,850 from the capital projects fund to the debt service fund. The transfer was in accordance with the rules of the Commission.

Note 6: Maintenance Taxes

At an election held February 5, 2005, voters authorized a maintenance tax not to exceed $1.50 per $100 valuation on all property within the District subject to taxation. During the year ended July 31, 2021, the District levied an ad valorem maintenance tax at the rate of $0.4500 per $100 of assessed valuation, which resulted in a tax levy of $2,988,304 on the taxable valuation of $664,067,548 for the 2020 tax year. The maintenance tax is being used by the general fund to pay expenditures of operating the District.

Fort Bend County Municipal Utility District No. 57

Notes to Financial Statements

July 31, 2021

Note 7: 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 July 31, 2021, the Authority was billing the District $4.25 per 1,000 gallons of water pumped from its wells and $4.60 per 1,000 gallons for surface water received. These amounts are subject to future increases.

Note 8: 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 9: Water Supply Agreement

On March 9, 2010, the District entered into a permanent water supply agreement with Fort Bend County Municipal Utility District No. 58 (District No. 58). The agreement was amended August 23, 2010. Under the terms of the agreement, District No. 58 remitted approximately $981,910 to the District as a capacity payment to supply 465 equivalent single-family connections at the District's water plant and to expand the water plant as needed to supply such connections. The District completed construction on Phase III of the water plant upgrade and expansion during a prior year. In addition, the District entered into a Utility Agreement on January 24, 2011 (see Note 10), with Beazer Homes Texas, L.P., on behalf of Fort Bend County Municipal Utility District No. 156 (District No. 156) and agreed to sell a portion of its unused water capacity. The District has deposited $77,500 in the joint water plant fund as an operating reserve, District No. 58 has deposited $40,000 and District No 156 has deposited $40,000.

Transactions for the joint water plant for the current year are as follows:

	The District	District No. 58	District No. 156	Total
Receivable, beginning of year	$ 164,285	$ 62,066	$ 67,020	$ 293,371
Current year billings	1,316,256	295,642	361,749	1,973,647
Collections	(1,356,528)	(287,919)	(369,186)	(2,013,633)
Receivable, end of year	$ 124,013	$ 69,789	$ 59,583	$ 253,385

Note 10: Utility Agreement

On January 24, 2011, the District entered into a contract with Beazer Homes Texas L.P., on behalf of District No. 156, for the purchase of capacity in the District's water plant, wastewater treatment plant and existing drainage facilities. The contract was assigned to District No. 156 on May 15, 2012. Under the terms of the agreement, District No. 156 can purchase up to 645 connections for use at the joint water plant and 645 connections at the joint wastewater treatment plant. During a prior year, District No. 156 purchased all 645 connections in each plant. District No. 156 also shares in the maintenance of these plants. The District has deposited $25,000 with the joint sewer plant as an operating reserve and District No. 156 has deposited $10,000.

Transactions for the joint sewer plant for the current year are as follows:

	The District	District No. 156	Total
Receivable, beginning of year	$ 48,796	$ 29,475	$ 78,271
Current year billings	379,453	117,854	497,307
Collections	(409,479)	(126,919)	(536,398)
Receivable, end of year	$ 18,770	$ 20,410	$ 39,180

Note 11: 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 12: Refunding Bonds

During the fiscal year ended July 31, 2021, the District issued $20,680,000 in unlimited tax refunding bonds to refund $7,565,000 of outstanding Series 2015 refunding bonds, $11,185,000 of outstanding Series 2015A bonds, and $2,160,000 of outstanding Series 2016A bonds. The District refunded the bonds to reduce total debt service payments over future years by $3,423,803 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $2,591,053.

Required Supplementary Information

Fort Bend County Municipal Utility District No. 57

Budgetary Comparison Schedule – General Fund

Year Ended July 31, 2021

	Original Budget	Final Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	$ 2,900,000	$ 2,900,000	$ 2,999,183	$ 99,183
Water service	695,500	695,500	652,850	(42,650)
Sewer service	340,000	340,000	353,104	13,104
Regional water fee	925,000	925,000	940,994	15,994
Penalty and interest	17,000	17,000	24,637	7,637
Tap connection and inspection fees	-	-	9,000	9,000
Investment income	40,000	40,000	18,646	(21,354)
Other income	-	-	45,172	45,172
Total revenues	4,917,500	4,917,500	5,043,586	126,086
Expenditures				
Service operations:				
Purchased services	1,658,315	2,289,352	1,695,709	593,643
Professional fees	251,700	251,700	212,576	39,124
Contracted services	461,600	461,600	461,416	184
Utilities	143,600	143,600	115,688	27,912
Repairs and maintenance	1,790,000	1,790,000	296,738	1,493,262
Other expenditures	75,300	75,300	50,565	24,735
Tap connections	-	-	35,036	(35,036)
Capital outlay	2,436,250	2,436,250	2,105,221	331,029
Total expenditures	6,816,765	7,447,802	4,972,949	2,474,853
Excess (Deficiency) of Revenues Over Expenditures	(1,899,265)	(2,530,302)	70,637	2,600,939
Fund Balance, Beginning of Year	6,929,199	6,929,199	6,929,199	-
Fund Balance, End of Year	$ 5,029,934	$ 4,398,897	$ 6,999,836	$ 2,600,939

Fort Bend County Municipal Utility District No. 57

Budgetary Comparison Schedule – Joint Water Plant Fund

Year Ended July 31, 2021

	Original Budget	Final Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Service to other districts	$ 1,867,448	$ 2,212,484	$ 1,973,647	$ (238,837)
Investment income	-	-	133	133
Total revenues	1,867,448	2,212,484	1,973,780	(238,704)
Expenditures				
Service operations:				
Purchased services	1,669,000	2,014,036	1,413,048	600,988
Regional water fee	-	-	314,468	(314,468)
Professional fees	8,200	8,200	25,691	(17,491)
Contracted services	24,800	24,800	25,362	(562)
Utilities	68,000	68,000	57,084	10,916
Repairs and maintenance	87,000	87,000	129,677	(42,677)
Other expenditures	10,448	10,448	8,450	1,998
Total expenditures	1,867,448	2,212,484	1,973,780	238,704
Excess of Revenues Over Expenditures	-	-	-	-
Fund Balance, Beginning of Year	77,500	77,500	77,500	-
Fund Balance, End of Year	$ 77,500	$ 77,500	$ 77,500	$ 0

Fort Bend County Municipal Utility District No. 57
Budgetary Comparison Schedule – Joint Sewer Plant Fund
Year Ended July 31, 2021

	Original Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Service to other districts	$ 556,650	$ 497,307	$ (59,343)
Investment income	-	22	22
Total revenues	556,650	497,329	(59,321)
Expenditures			
Service operations:			
Professional fees	11,500	20,309	(8,809)
Contracted services	37,300	38,530	(1,230)
Utilities	63,000	70,213	(7,213)
Repairs and maintenance	425,000	350,571	74,429
Other expenditures	19,850	17,706	2,144
Total expenditures	556,650	497,329	59,321
Excess of Revenues Over Expenditures	-	-	-
Fund Balance, Beginning of Year	25,000	25,000	-
Fund Balance, End of Year	$ 25,000	$ 25,000	$ 0

Fort Bend County Municipal Utility District No. 57
Notes to Required Supplementary Information
July 31, 2021

Budgets and Budgetary Accounting

Annual operating budgets are prepared for the general, joint water plant and joint sewer plant funds by the District's consultants. The budgets reflect resources expected to be received during the year and expenditures expected to be incurred. The Board of Directors is required to adopt the budgets prior to the start of its fiscal year. The budgets are not a spending limitation (a legally restricted appropriation). The original budgets of the general fund and joint water plant fund were amended and the original budget of the joint sewer plant fund was not amended during fiscal 2021.

The District prepares its annual operating budgets on a basis consistent with accounting principles generally accepted in the United States of America. The Budgetary Comparison Schedules – General Fund, Joint Water Plant Fund and Joint Sewer Plant Fund present 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. 57
Other Schedules Included Within This Report
July 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 14-28

[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 – Five Years

[X] Board Members, Key Personnel and Consultants

Fort Bend County Municipal Utility District No. 57

Schedule of Services and Rates

Year Ended July 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	___ Roads

X 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:	$ 10.00	1,000	N	$ 1.00	1,001	to	5,000
				$ 2.50	5,001	to	15,000
				$ 3.75	15,001	to	25,000
				$ 5.00	25,001	to	35,000
				$ 6.00	35,001	to	No Limit
Wastewater:	$ 16.00	0	Y				
Regional water fee:	$ 4.60	0	N	$ 4.60	1,001	to	No Limit

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

Total charges per 10,000 gallons usage (including fees): Water $ 72.50 Wastewater $ 16.00

b. Water and wastewater retail connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC*
Unmetered	-	-	x1.0	-
≤ 3/4"	945	940	x1.0	940
1"	853	851	x2.5	2,128
1 1/2"	4	4	x5.0	20
2"	51	51	x8.0	408
3"	-	-	x15.0	-
4"	1	1	x25.0	25
6"	-	-	x50.0	-
8"	-	-	x80.0	-
10"	-	-	x115.0	-
Total water	1,854	1,847		3,521
Total wastewater	1,785	1,778	x1.0	1,778

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

Gallons pumped into the system:	439,695
Gallons billed to customers:	370,908
Water accountability ratio (gallons billed/gallons pumped):	84.36%

*"ESFC" means equivalent single-family connections

Fort Bend County Municipal Utility District No. 57
Schedule of General Fund Expenditures
Year Ended July 31, 2021

Personnel (including benefits)		$ -
Professional Fees		
Auditing	$ 20,500	
Legal	119,556	
Engineering	72,520	
Financial advisor	-	212,576
Purchased Services for Resale		
Bulk water and wastewater service purchases		1,695,709
Regional Water Fee		-
Contracted Services		
Bookkeeping	21,825	
General manager	-	
Appraisal district	-	
Tax collector	-	
Security	-	
Other contracted services	119,073	140,898
Utilities		115,688
Repairs and Maintenance		296,738
Administrative Expenditures		
Directors' fees	10,050	
Office supplies	22,257	
Insurance	6,387	
Other administrative expenditures	11,871	50,565
Capital Outlay		
Capitalized assets	2,070,774	
Expenditures not capitalized	34,447	2,105,221
Tap Connection Expenditures		35,036
Solid Waste Disposal		320,518
Fire Fighting		-
Parks and Recreation		-
Other Expenditures		-
Total expenditures		$ 4,972,949

Fort Bend County Municipal Utility District No. 57
Schedule of Temporary Investments
July 31, 2021

	Interest Rate	Maturity Date	Face Amount	Accrued Interest Receivable
General Fund				
Certificates of Deposit				
No. 36000800	0.55%	10/08/21	$ 245,963	$ 1,097
No. 95900011936634	0.70%	11/16/21	246,687	1,216
No. 1002870590	0.45%	04/04/22	240,000	349
No. 606	0.48%	05/29/22	242,892	201
No. 1852001389	0.45%	07/21/22	240,000	30
No. 6000037173	0.40%	07/26/22	240,000	13
No. 6002400805	0.30%	07/29/22	241,560	4
TexSTAR	0.01%	Demand	5,228,665	-
			6,925,767	2,910
Debt Service Fund				
Certificates of Deposit				
No. 36000610	0.50%	08/09/21	245,963	1,200
No. 6002400599	0.40%	11/18/21	240,838	673
No. 1852001399	0.45%	07/26/22	248,065	15
TexSTAR	0.01%	Demand	1,740,368	-
			2,475,234	1,888
Totals			$ 9,401,001	$ 4,798

Fort Bend County Municipal Utility District No. 57

Analysis of Taxes Levied and Receivable

Year Ended July 31, 2021

	Maintenance Taxes	Debt Service Taxes
Receivable, Beginning of Year	$ 21,744	$ 21,744
Additions and corrections	(527)	(527)
Adjusted receivable, beginning of year	21,217	21,217
2020 Original Tax Levy	2,970,520	2,904,508
Additions and corrections	17,784	17,389
Adjusted tax levy	2,988,304	2,921,897
Total to be accounted for	3,009,521	2,943,114
Tax collections: Current year	(2,979,804)	(2,913,585)
Prior years	(19,379)	(19,379)
Receivable, end of year	$ 10,338	$ 10,150
Receivable, by Years		
2020	$ 8,500	$ 8,312
2019	1,838	1,838
Receivable, end of year	$ 10,338	$ 10,150

Fort Bend County Municipal Utility District No. 57

Analysis of Taxes Levied and Receivable (Continued)

Year Ended July 31, 2021

	2020	2019	2018	2017
Property Valuations				
Land	$ 110,120,710	$ 110,080,960	$ 110,105,330	$ 99,605,880
Improvements	571,621,042	554,101,486	553,037,040	545,102,309
Personal property	3,560,790	3,210,840	2,852,700	1,870,660
Exemptions	(21,234,994)	(21,182,293)	(16,684,092)	(10,374,567)
Total property valuations	$ 664,067,548	$ 646,210,993	$ 649,310,978	$ 636,204,282
Tax Rates per $100 Valuation				
Debt service tax rates	$ 0.4400	$ 0.4500	$ 0.3600	$ 0.3600
Maintenance tax rates*	0.4500	0.4500	0.5400	0.5600
Total tax rates per $100 valuation	$ 0.8900	$ 0.9000	$ 0.9000	$ 0.9200
Tax Levy	$ 5,910,201	$ 5,815,900	$ 5,843,798	$ 5,853,080
Percent of Taxes Collected to Taxes Levied**	99%	99%	100%	100%

*Maximum tax rate approved by voters: $1.50 on February 5, 2005

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

Fort Bend County Municipal Utility District No. 57

Schedule of Long-term Debt Service Requirements by Years

July 31, 2021

	Series 2013B		
Due During Fiscal Years Ending July 31	Principal Due April 1	Interest Due October 1, April 1	Total
2022	$ 160,000	$ 8,090	$ 168,090
2023	170,000	4,250	174,250
Totals	$ 330,000	$ 12,340	$ 342,340

Fort Bend County Municipal Utility District No. 57
Schedule of Long-term Debt Service Requirements by Years (Continued)
July 31, 2021

Due During Fiscal Years Ending July 31	Series 2014 Principal Due April 1	Series 2014 Interest Due October 1, April 1	Series 2014 Total
2022	$ 200,000	$ 338,862	$ 538,862
2023	325,000	330,862	655,862
2024	350,000	317,862	667,862
2025	350,000	303,862	653,862
2026	375,000	293,362	668,362
2027	400,000	282,113	682,113
2028	400,000	269,613	669,613
2029	425,000	256,613	681,613
2030	450,000	242,800	692,800
2031	475,000	227,613	702,613
2032	500,000	210,988	710,988
2033	525,000	193,488	718,488
2034	550,000	173,800	723,800
2035	575,000	151,800	726,800
2036	600,000	128,800	728,800
2037	625,000	104,800	729,800
2038	650,000	79,800	729,800
2039	670,000	53,800	723,800
2040	675,000	27,000	702,000
Totals	$ 9,120,000	$ 3,987,838	$ 13,107,838

Fort Bend County Municipal Utility District No. 57

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

July 31, 2021

Due During Fiscal Years Ending July 31	Refunding Series 2015 Principal Due April 1	Interest Due October 1, April 1	Total
2022	$ 360,000	$ 8,100	$ 368,100

Fort Bend County Municipal Utility District No. 57
Schedule of Long-term Debt Service Requirements by Years (Continued)
July 31, 2021

	Series 2015B		
Due During Fiscal Years Ending July 31	Principal Due April 1	Interest Due October 1, April 1	Total
2022	$ 500,000	$ 58,500	$ 558,500
2023	500,000	46,000	546,000
2024	525,000	32,250	557,250
2025	550,000	16,500	566,500
Totals	$ 2,075,000	$ 153,250	$ 2,228,250

Fort Bend County Municipal Utility District No. 57

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

July 31, 2021

Due During Fiscal Years Ending July 31	Series 2016B Principal Due April 1	Series 2016B Interest Due October 1, April 1	Series 2016B Total
2022	$ 100,000	$ 49,088	$ 149,088
2023	125,000	46,087	171,087
2024	125,000	42,338	167,338
2025	125,000	38,587	163,587
2026	125,000	34,838	159,838
2027	150,000	31,087	181,087
2028	150,000	26,588	176,588
2029	150,000	22,650	172,650
2030	150,000	18,712	168,712
2031	175,000	14,588	189,588
2032	175,000	9,775	184,775
2033	165,000	4,744	169,744
Totals	$ 1,715,000	$ 339,082	$ 2,054,082

Fort Bend County Municipal Utility District No. 57
Schedule of Long-term Debt Service Requirements by Years (Continued)
July 31, 2021

	Refunding Series 2019		
Due During Fiscal Years Ending July 31	**Principal Due April 1**	**Interest Due October 1, April 1**	**Total**
2022	$ 185,000	$ 164,850	$ 349,850
2023	185,000	159,300	344,300
2024	185,000	153,750	338,750
2025	205,000	148,200	353,200
2026	205,000	142,050	347,050
2027	230,000	135,900	365,900
2028	230,000	129,000	359,000
2029	255,000	122,100	377,100
2030	255,000	114,450	369,450
2031	280,000	106,800	386,800
2032	305,000	98,400	403,400
2033	305,000	89,250	394,250
2034	325,000	80,100	405,100
2035	350,000	70,350	420,350
2036	345,000	59,850	404,850
2037	395,000	49,500	444,500
2038	390,000	37,650	427,650
2039	410,000	25,950	435,950
2040	455,000	13,650	468,650
Totals	$ 5,495,000	$ 1,901,100	$ 7,396,100

Fort Bend County Municipal Utility District No. 57

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

July 31, 2021

	Refunding Series 2020		
Due During Fiscal Years Ending July 31	Principal Due April 1	Interest Due October 1, April 1	Total
2022	$ 20,000	$ 111,800	$ 131,800
2023	20,000	111,200	131,200
2024	195,000	110,600	305,600
2025	195,000	104,750	299,750
2026	210,000	98,900	308,900
2027	220,000	92,600	312,600
2028	215,000	88,200	303,200
2029	230,000	83,900	313,900
2030	235,000	79,300	314,300
2031	235,000	72,250	307,250
2032	260,000	65,200	325,200
2033	260,000	57,400	317,400
2034	265,000	51,550	316,550
2035	275,000	45,256	320,256
2036	295,000	38,381	333,381
2037	290,000	31,006	321,006
2038	285,000	23,757	308,757
2039	305,000	16,275	321,275
2040	315,000	8,269	323,269
Totals	$ 4,325,000	$ 1,290,594	$ 5,615,594

Fort Bend County Municipal Utility District No. 57

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

July 31, 2021

	Refunding Series 2021		
Due During Fiscal Years Ending July 31	Principal Due April 1	Interest Due October 1, April 1	Total
2022	$ 65,000	$ 497,531	$ 562,531
2023	425,000	495,581	920,581
2024	445,000	482,832	927,832
2025	465,000	469,481	934,481
2026	1,015,000	455,531	1,470,531
2027	1,040,000	435,231	1,475,231
2028	1,075,000	414,432	1,489,432
2029	1,100,000	392,931	1,492,931
2030	1,115,000	370,931	1,485,931
2031	1,165,000	355,600	1,520,600
2032	1,170,000	320,650	1,490,650
2033	1,225,000	285,550	1,510,550
2034	1,455,000	248,800	1,703,800
2035	1,495,000	219,700	1,714,700
2036	1,525,000	174,850	1,699,850
2037	1,560,000	129,100	1,689,100
2038	1,605,000	82,300	1,687,300
2039	1,225,000	50,200	1,275,200
2040	1,075,000	25,700	1,100,700
2041	105,000	4,200	109,200
2042	105,000	2,100	107,100
Totals	$ 20,455,000	$ 5,913,231	$ 26,368,231

Fort Bend County Municipal Utility District No. 57
Schedule of Long-term Debt Service Requirements by Years (Continued)
July 31, 2021

Due During Fiscal Years Ending July 31	Annual Requirements For All Series: Total Principal Due	Total Interest Due	Total Principal and Interest Due
2022	$ 1,590,000	$ 1,236,821	$ 2,826,821
2023	1,750,000	1,193,280	2,943,280
2024	1,825,000	1,139,632	2,964,632
2025	1,890,000	1,081,380	2,971,380
2026	1,930,000	1,024,681	2,954,681
2027	2,040,000	976,931	3,016,931
2028	2,070,000	927,833	2,997,833
2029	2,160,000	878,194	3,038,194
2030	2,205,000	826,193	3,031,193
2031	2,330,000	776,851	3,106,851
2032	2,410,000	705,013	3,115,013
2033	2,480,000	630,432	3,110,432
2034	2,595,000	554,250	3,149,250
2035	2,695,000	487,106	3,182,106
2036	2,765,000	401,881	3,166,881
2037	2,870,000	314,406	3,184,406
2038	2,930,000	223,507	3,153,507
2039	2,610,000	146,225	2,756,225
2040	2,520,000	74,619	2,594,619
2041	105,000	4,200	109,200
2042	105,000	2,100	107,100
Totals	$ 43,875,000	$ 13,605,535	$ 57,480,535

Fort Bend County Municipal Utility District No. 57

Changes in Long-term Bonded Debt

Year Ended July 31, 2021

	Series 2013B	Series 2014	Bond Refunding Series 2015
Interest rates	2.40% to 2.50%	3.00% to 4.00%	2.25%
Dates interest payable	October 1/ April 1	October 1/ April 1	October 1/ April 1
Maturity dates	April 1, 2022/2023	April 1, 2022/2040	April 1, 2022
Bonds outstanding, beginning of current year	$ 480,000	$ 9,320,000	$ 8,280,000
Bonds sold during current year	-	-	-
Principal refunded	-	-	7,565,000
Retirements, principal	150,000	200,000	355,000
Bonds outstanding, end of current year	$ 330,000	$ 9,120,000	$ 360,000
Interest paid during current year	$ 11,540	$ 346,863	$ 134,938

Paying agent's name and address:

Series 2013B - Amegy Bank National Association, Houston, Texas
Series 2014 - Amegy Bank National Association, Houston, Texas
Series 2015 - Amegy Bank National Association, Houston, Texas
Series 2015A - Amegy Bank National Association, Houston, Texas
Series 2015B - Amegy Bank National Association, Houston, Texas
Series 2016A - Amegy Bank National Association, Houston, Texas
Series 2016B - Amegy Bank National Association, Houston, Texas
Series 2019 - Zions Bancorporation, National Association, Houston, Texas
Series 2020 - The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Series 2021 - The Bank of New York Mellon Trust Company, N.A., Dallas, Texas

Bond authority:

	Tax Bonds	Other Bonds	Refunding Bonds
Amount authorized by voters	$ 72,000,000	$ 7,800,000	$ 46,000,000
Amount issued	$ 49,520,000	$ 6,325,000	$ 1,145,000
Remaining to be issued	$ 22,480,000	$ 1,475,000	$ 44,855,000

Debt service fund cash and temporary investment balances as of July 31, 2021:	$ 2,547,117
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 2,737,168

Issues

Series 2015A		Series 2015B		Series 2016A		Series 2016B		Refunding Series 2019	
3.125% to 4.000%		2.50% to 3.00%		3.00% to 3.25%		2.625% to 3.000%		3.00%	
October 1/ April 1		October 1/ April 1		October 1/ April 1		October 1/ April 1		October 1/ April 1	
		April 1, 2022/2025				April 1, 2022/2033		April 1, 2022/2040	
$	11,185,000	$	2,550,000	$	2,160,000	$	1,815,000	$	5,660,000
	-		-		-		-		-
	11,185,000		-		2,160,000		-		-
	-		475,000		-		100,000		165,000
$	0	$	2,075,000	$	0	$	1,715,000	$	5,495,000
$	213,606	$	69,188	$	33,725	$	52,088	$	169,800

Fort Bend County Municipal Utility District No. 57

Changes in Long-term Bonded Debt (Continued)

Year Ended July 31, 2021

	Bond Issues		
	Refunding Series 2020	Refunding Series 2021	Totals
Interest rates	2.00% to 3.00%	1.375% to 3.000%	
Dates interest payable	October 1/ April 1	October 1/ April 1	
Maturity dates	April 1, 2022/2040	April 1, 2022/2042	
Bonds outstanding, beginning of current year	$ 4,345,000	$ -	$ 45,795,000
Bonds sold during current year	-	20,680,000	20,680,000
Principal refunded	-	-	20,910,000
Retirements, principal	20,000	225,000	1,690,000
Bonds outstanding, end of current year	$ 4,325,000	$ 20,455,000	$ 43,875,000
Interest paid during current year	$ 131,133	$ 84,047	$ 1,246,928

Fort Bend County Municipal Utility District No. 57
Comparative Schedule of Revenues and Expenditures – General Fund
Five Years Ended July 31,

	Amounts				
	2021	2020	2019	2018	2017
General Fund					
Revenues					
Property taxes	$ 2,999,183	$ 2,917,868	$ 3,507,169	$ 3,550,875	$ 3,491,828
Water service	652,850	652,874	597,898	664,365	684,983
Sewer service	353,104	351,787	352,390	353,561	349,223
Regional water fee	940,994	877,768	741,851	768,905	716,851
Penalty and interest	24,637	28,430	38,190	30,170	34,115
Tap connection and inspection fees	9,000	9,034	29,451	27,315	53,600
Investment income	18,646	93,167	120,689	81,426	42,666
Other income	45,172	214,430	21,112	46,708	33,012
Total revenues	5,043,586	5,145,358	5,408,750	5,523,325	5,406,278
Expenditures					
Service operations:					
Purchased services	1,695,709	1,716,281	1,354,025	1,354,658	1,599,250
Professional fees	212,576	235,227	180,316	156,082	276,221
Contracted services	461,416	445,994	428,804	416,091	397,453
Utilities	115,688	135,664	149,759	148,309	155,814
Repairs and maintenance	296,738	273,926	1,556,177	623,684	1,024,265
Other expenditures	50,565	55,031	48,396	50,746	78,424
Tap connections	35,036	10,091	14,599	3,907	12,030
Capital outlay	2,105,221	1,872,465	669,831	1,637,462	43,938
Debt service					
Principal retirement	-	-	-	3,365,000	-
Debt issuance costs	-	-	1,500	-	-
Total expenditures	4,972,949	4,744,679	4,403,407	7,755,939	3,587,395
Excess (Deficiency) of Revenues Over Expenditures	70,637	400,679	1,005,343	(2,232,614)	1,818,883
Other Financing Uses					
Interfund transfers out	-	-	-	-	(2,750,722)
Excess (Deficiency) of Revenues and Transfers In Over Expenditures and Transfers Out	70,637	400,679	1,005,343	(2,232,614)	(931,839)
Fund Balance, Beginning of Year	6,929,199	6,528,520	5,523,177	7,755,791	8,687,630
Fund Balance, End of Year	$ 6,999,836	$ 6,929,199	$ 6,528,520	$ 5,523,177	$ 7,755,791
Total Active Retail Water Connections	1,847	1,844	1,845	1,838	1,839
Total Active Retail Wastewater Connections	1,778	1,779	1,780	1,774	1,775

Percent of Fund Total Revenues				
2021	2020	2019	2018	2017
59.5 %	56.7 %	64.8 %	64.3 %	64.6 %
12.9	12.7	11.1	12.0	12.7
7.0	6.8	6.5	6.4	6.4
18.6	17.1	13.7	13.9	13.3
0.5	0.5	1.0	0.6	0.6
0.2	0.2	0.6	0.5	1.0
0.4	1.8	2.2	1.5	0.8
0.9	4.2	0.1	0.8	0.6
100.0	100.0	100.0	100.0	100.0
33.6	33.3	25.0	24.5	29.5
4.2	4.6	3.3	2.8	5.1
9.2	8.7	7.9	7.5	7.4
2.3	2.6	2.8	2.7	2.9
5.9	5.3	28.8	11.3	18.9
1.0	1.1	0.9	0.9	1.5
0.7	0.2	0.3	0.1	0.2
41.7	36.4	12.4	29.7	0.8
-	-	-	60.9	-
-	-	0.0	-	-
98.6	92.2	81.4	140.4	66.3
1.4 %	7.8 %	18.6 %	(40.4) %	33.7 %

Fort Bend County Municipal Utility District No. 57

Comparative Schedule of Revenues and Expenditures – Debt Service Fund

Five Years Ended July 31,

	Amounts				
	2021	2020	2019	2018	2017
Debt Service Fund					
Revenues					
Property taxes	$ 2,932,965	$ 2,907,314	$ 2,338,187	$ 2,283,708	$ 2,585,697
Penalty and interest	39,397	26,276	57,586	35,491	29,251
Investment income	6,197	37,045	59,805	37,533	12,831
Total revenues	2,978,559	2,970,635	2,455,578	2,356,732	2,627,779
Expenditures					
Current:					
Professional fees	8,514	11,664	17,618	5,324	8,322
Contracted services	68,326	72,102	62,592	67,128	65,954
Other expenditures	7,268	24,748	3,567	17,800	14,392
Debt service:					
Principal retirement	1,690,000	1,445,000	1,350,000	635,000	3,525,000
Interest and fees	1,214,811	1,513,409	1,667,437	1,858,476	1,962,422
Debt issuance costs	660,311	376,782	-	-	-
Debt defeasance	455,850	67,000	-	-	-
Total expenditures	4,105,080	3,510,705	3,101,214	2,583,728	5,576,090
Deficiency of Revenues Over Expenditures	(1,126,521)	(540,070)	(645,636)	(226,996)	(2,948,311)
Other Financing Sources (Uses)					
Interfund transfers in	418,850	-	-	-	3,113,291
General obligation bonds issued	20,680,000	10,035,000	-	-	-
Premium on debt issued	800,913	204,788	-	-	-
Payment to escrow agent	(20,819,791)	(9,857,361)	-	-	-
Total other financing sources	1,079,972	382,427	0	0	3,113,291
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(46,549)	(157,643)	(645,636)	(226,996)	164,980
Fund Balance, Beginning of Year	2,585,460	2,743,103	3,388,739	3,615,735	3,450,755
Fund Balance, End of Year	$ 2,538,911	$ 2,585,460	$ 2,743,103	$ 3,388,739	$ 3,615,735

Percent of Fund Total Revenues				
2021	2020	2019	2018	2017
98.5 %	97.9 %	95.2 %	96.9 %	98.4 %
1.3	0.9	2.4	1.5	1.1
0.2	1.2	2.4	1.6	0.5
100.0	100.0	100.0	100.0	100.0
0.3	0.4	0.7	0.2	0.3
2.3	2.4	2.5	2.8	2.5
0.2	0.8	0.1	0.8	0.5
56.7	48.7	55.0	26.9	134.1
40.8	50.9	67.9	78.9	74.7
22.2	12.7	-	-	-
15.3	2.3	-	-	-
137.8	118.2	126.2	109.6	212.1
(37.8) %	(18.2) %	(26.2) %	(9.6) %	(112.1) %

Fort Bend County Municipal Utility District No. 57
Board Members, Key Personnel and Consultants
Year Ended July 31, 2021

Complete District mailing address:	Fort Bend County Municipal Utility District No. 57 c/o Allen Boone Humphries Robinson LLP 3200 Southwest Freeway, Suite 2600 Houston, Texas 77027	
District business telephone number:	713.860.6400	
Submission date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):		May 15, 2020
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
Bill Lyle	Elected 05/20-05/24	$ 2,250	$ 0	President
Randy Rodriguez	Elected 05/20-05/24	2,250	0	Vice President
Gina Babineaux	Appointed 05/20-05/22	1,650	0	Secretary
Chris Tolle	Elected 05/20-05/24	2,250	0	Treasurer
Steve McConnell	Appointed 05/20-05/22	1,650	0	Assistant Secretary

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

Fort Bend County Municipal Utility District No. 57

Board Members, Key Personnel and Consultants (Continued)

Year Ended July 31, 2021

Consultants	Date Hired	Fees and Expense Reimbursements	Title
Allen Boone Humphries Robinson LLP	08/05/04	$ 601,195	Attorney
Assessments of the Southwest, Inc.	11/16/04	31,285	Tax Assessor/ Collector
BKD, LLP	06/13/07	26,200	Auditor
Benchmark Engineering Corporation	11/16/04	146,669	Engineer
Fort Bend Central Appraisal District	Legislative Action	42,419	Appraiser
The GMS Group, L.L.C.	09/14/05	208,000	Financial Advisor
Inframark, LLC	09/14/05	827,593	Operator
Myrtle Cruz, Inc.	11/16/04	40,966	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	03/13/06	8,514	Delinquent Tax Attorney

Investment Officer			
Mary Jarmon	10/28/13	N/A	Bookkeeper

APPENDIX B

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

MUNICIPAL BOND INSURANCE POLICY

ISSUER: | Policy No: -N
BONDS: $ in aggregate principal amount of | Effective Date:
Premium: $

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

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

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

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

ASSURED GUARANTY MUNICIPAL CORP.

By ______________________________
Authorized Officer

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