OFFICIAL STATEMENT DATED FEBRUARY 23, 2022

IN THE OPINION OF BOND COUNSEL, THE BONDS ARE VALID OBLIGATIONS OF THE WOODLANDS METRO CENTER MUNICIPAL UTILITY DISTRICT, OF MONTGOMERY COUNTY, TEXAS. IN THE OPINION OF SPECIAL TAX COUNSEL, INTEREST ON THE BONDS IS EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES UNDER SECTION 103 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, AND IS NOT A SPECIFIC PREFERENCE ITEM FOR PURPOSES OF THE ALTERNATIVE MINIMUM TAX. SEE "TAX MATTERS." SEE "LEGAL MATTERS" HEREIN FOR A DISCUSSION OF THE OPINIONS OF BOND COUNSEL AND SPECIAL TAX COUNSEL.

The Bonds have been designated as "qualified tax-exempt obligations" for financial institutions. See "TAX MATTERS—Purchase of Tax-Exempt Obligations by Financial Institutions."

NEW ISSUE – Book-Entry-Only — Moody's Investors Service, Inc. ...."Aa3"

$3,475,000

THE WOODLANDS METRO CENTER MUNICIPAL UTILITY DISTRICT, OF MONTGOMERY COUNTY, TEXAS

(A Political Subdivision of the State of Texas, located within Montgomery County)

UNLIMITED TAX REFUNDING BONDS, SERIES 2022

Interest accrues from: Date of Delivery — **Due: October 1, as shown on inside cover**

The $3,475,000 The Woodlands Metro Center Municipal Utility District, of Montgomery County, Texas Unlimited Tax Refunding Bonds, Series 2022 (the "Bonds"), are obligations of The Woodlands Metro Center Municipal Utility District, of Montgomery County, Texas (the "District") and are not obligations of the State of Texas, the City of Houston, The Woodlands Township, Montgomery County or any other entity. Neither the faith and credit nor the taxing power of the State of Texas, the City of Houston, The Woodlands Township, Montgomery County, nor any entity other than the District is pledged to the payment of the principal of or interest on the Bonds.

Principal of the Bonds is payable at maturity or earlier redemption by the paying agent/registrar, initially The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the "Paying Agent/Registrar"). Interest accrues from the initial date of delivery of March 29, 2022 (the "Date of Delivery"), and is payable on October 1, 2022, and on each April 1 and October 1 thereafter (each an "Interest Payment Date") until the earlier of maturity or redemption, and will be calculated on the basis a 360-day year consisting of twelve 30-day months. The Bonds are fully registered bonds in denominations of $5,000 or any integral multiple thereof. See "THE BONDS" herein.

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

See "MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND INITIAL REOFFERING YIELDS" on inside cover.

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

Investment in the Bonds is subject to certain investment considerations as described herein. Prospective purchasers of the Bonds should review this entire Official Statement, including particularly the section of this Official Statement entitled "INVESTMENT CONSIDERATIONS," before making an investment decision. See "INVESTMENT CONSIDERATIONS."

The Bonds are offered when, as and if issued by the District, subject to, among other things, the approval of the Bonds by the Attorney General of Texas and the approval of certain legal matters by Schwartz, Page & Harding, L.L.P., Houston, Texas, Bond Counsel, and Bracewell LLP, Austin, Texas, Special Tax Counsel. Certain legal matters will be passed upon for the Underwriter by McCall, Parkhurst & Horton L.L.P., Houston, Texas, Underwriter's Counsel. Delivery of the Bonds in book-entry form through the facilities of DTC is expected on or about March 29, 2022.

SAMCO CAPITAL

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND INITIAL REOFFERING YIELDS

Maturity (October 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP Number (b)	Maturity (October 1)	Principal Amount*		Interest Rate	Initial Reoffering Yield (a)	CUSIP Number (b)
2023	$ 300,000	3.00 %	1.09 %	979686 ME9	2029	$ 225,000	(c)	3.00 %	2.10 %	979686 ML3
2024	495,000	3.00	1.41	979686 MF6	2030	235,000	(c)	3.00	2.18	979686 MM1
2025	515,000	3.00	1.58	979686 MG4	2031	240,000	(c)	3.00	2.26	979686 MN9
2026	535,000	3.00	1.75	979686 MH2	2032	250,000	(c)	3.00	2.30	979686 MP4
2027	205,000	4.00	1.87	979686 MJ8	2033	260,000	(c)	3.00	2.33	979686 MQ2
2028	215,000	4.00	2.00	979686 MK5						

(a) The initial reoffering yields on the Bonds are established by, and are the sole responsibility of, the Underwriter (defined herein) and may subsequently be changed.

(b) CUSIP numbers have been assigned to the Bonds by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of the American Bankers Association and are included solely for the convenience of the owners of the Bonds.

(c) The Bonds maturing on and after October 1, 2029, are subject to redemption prior to maturity at the option of the District, in whole or from time to time in part, on October 1, 2028, or any date thereafter, at a price equal to the principal thereof plus accrued interest to the date fixed for redemption. See "THE BONDS – Redemption Provisions." The yield on Bonds maturing on and after October 1, 2029, is calculated to the lower of yield to redemption or maturity.

USE OF INFORMATION IN OFFICIAL STATEMENT

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

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

All of the summaries of the statutes, resolutions, 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 the District c/o Schwartz, Page & Harding, L.L.P., 1300 Post Oak Boulevard, Suite 2400, Houston, Texas 77056 upon payment of the costs for duplication thereof.

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

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

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APPENDIX A — Independent Auditor's Report and Financial Statements of the District

SALE AND DISTRIBUTION OF THE BONDS

Underwriting

SAMCO Capital Markets, Inc. (referred to herein as the "Underwriter") has agreed to purchase the Bonds from the District for $3,628,511.31 (being the par amount of the Bonds, plus an original issue premium on the Bonds of $185,913.75, and less an underwriter's discount of $32,402.44). The Underwriter's obligation is to purchase all of the Bonds, if any Bonds are purchased.

Prices and Marketability

The District has no control over the reoffering yields or prices of the Bonds or 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 prices of the Bonds may be greater than the difference between the bid and asked prices of bonds of comparable maturity and quality issued by more traditional municipal entities, as bonds of such entities are more generally bought, sold or traded in the secondary market.

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

Securities Laws

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

MUNICIPAL BOND RATING

Moody's Investors Service, Inc. ("Moody's") has assigned a credit rating of "Aa3" to the Bonds. An explanation of the rating may be obtained from Moody's, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. A security rating is not a recommendation to buy, sell, or hold securities. Furthermore, there is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by Moody's, if in its judgment, circumstances so warrant. Any such revisions or withdrawal of the rating may have an adverse effect on the market price of the Bonds. The fees charged by Moody's for the underlying credit rating will be paid by the District.

The District is not aware of any rating assigned the Bonds other than the rating of Moody's.

OFFICIAL STATEMENT SUMMARY

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

THE BONDS

The Issuer	The Woodlands Metro Center Municipal Utility District, of Montgomery County, Texas (the "District"), a political subdivision of the State of Texas, is located in Montgomery County, Texas. See "THE DISTRICT."
Description	The District's $3,475,000 Unlimited Tax Refunding Bonds, Series 2022 (the "Bonds"), mature on October 1 in each of the years and in the principal amounts set forth on the inside cover hereof. Interest accrues from the Date of Delivery of the Bonds, and is payable October 1, 2022, and on each April 1 and October 1 thereafter until maturity or prior redemption. Bonds maturing on or after October 1, 2029, are subject to redemption prior to maturity at the option of the District, in whole or from time to time in part, on October 1, 2028, or on any date thereafter, at the principal amount thereof plus accrued interest to the date fixed for redemption. See "THE BONDS – General" and "THE BONDS – Redemption Provisions."
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 (hereinafter defined) to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the Beneficial Owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM."
Source of Payment	Principal of and interest on the Bonds are payable from the proceeds of a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property located within the District. See "THE BONDS – Source and Security for Payment."
Remaining Outstanding Bonds	The District has previously issued ten (10) series of unlimited tax bonds and seven (7) series of unlimited tax refunding bonds, aggregating $75,485,000 in principal amount. Following the refunding of the Refunded Bonds (hereinafter defined), $4,605,000 principal amount of such previously issued unlimited tax bonds will remain outstanding (the "Remaining Outstanding Bonds"). See "DISTRICT DEBT – Remaining Outstanding Bonds."
Payment Record	The District has never defaulted on the timely payment of principal and interest on its bonded indebtedness.

Use of Proceeds	Proceeds from the sale of the Bonds, together with other lawfully available debt service funds, will be used to achieve a debt service savings by currently refunding $3,505,000 principal amount (the "Refunded Bonds") of the District's $5,745,000 Unlimited Tax Refunding Bonds, Series 2010 and the $3,690,000 Waterworks and Sewer System Unlimited Tax Bonds, Series 2013. Proceeds from sale of the Bonds will also be used to pay costs of issuance of the Bonds. The sale of the Bonds and the refunding of the Refunded Bonds will result in an annual and net present value savings in the District's current annual debt service requirements. See "PLAN OF FINANCING."
Qualified Tax-Exempt Obligations	The District has designated the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended. See "TAX MATTERS – Purchase of Tax-Exempt Obligations by Financial Institutions."
Municipal Bond Rating	Moody's Investors Service, Inc. ("Moody's") has assigned a credit rating of "Aa3" to the Bonds. The District is not aware of any other rating applied towards the Bonds. An explanation of the rating may be obtained from Moody's. See "MUNICIPAL BOND RATING."
Legal Opinions	Schwartz, Page & Harding, L.L.P., Houston, Texas, Bond Counsel and Bracewell LLP, Austin, Texas, Special Tax Counsel. See "LEGAL MATTERS."
Underwriter's Counsel	McCall, Parkhurst & Horton L.L.P., Houston, Texas.
Financial Advisor	Robert W. Baird & Co. Incorporated, Houston, Texas.
Paying Agent/Registrar	The Bank of New York Mellon Trust Company, N.A., Dallas, Texas.
Escrow Agent	The Bank of New York Mellon Trust Company, N.A., Dallas, Texas.
Verification Agent	Robert Thomas CPA, LLC, Minneapolis, Minnesota. See "THE DISTRICT – Special Consultants Related to Issuance of the Bonds" and "VERIFICATION OF MATHEMATICAL CALCULATIONS."

THE DISTRICT

Description	The creation of the District was confirmed at an election held within the District on August 12, 1978. The District operates pursuant to Chapters 49 and 54, Texas Water Code, and is located entirely within Montgomery County, Texas, approximately 30 miles north of the central business district of the City of Houston, Texas. The District is accessible via Interstate Highway 45, Woodlands Parkway, Lake Woodlands Drive, Research Forest Drive and College Park Drive (Texas State Highway 242). The District is located within the exclusive extraterritorial jurisdiction of the City of Houston, Texas. The District comprises approximately 1,600 acres of land within the 28,000-acre community known as The Woodlands. See "THE DISTRICT – Description."

Authority.. The rights, powers, privileges, authority, and functions of the District are established by Article XVI, Section 59 of the Constitution of the State of Texas and the general laws of the State of Texas pertaining to municipal utility districts, including particularly Chapters 49 and 54 of the Texas Water Code, as amended. See "THE DISTRICT – General."

The Developer.. The Woodlands Land Development Company, L.P. (the "Developer") has developed the property within the District. See "THE DEVELOPER."

Status of Development.. Approximately 1,548 acres of the District's approximately 1,600 acres have been developed for building sites with roads and utilities, including 208 acres dedicated for roads, public areas, easements and open spaces. As of January, 2022, development within the District includes approximately 14.4 million square feet of completed buildings on 1,257 acres, including The Woodlands Mall, a 1,317,000 square foot, five-anchor retail mall. The remaining acreage within the District is comprised of approximately 52 acres to be developed and marketed as building sites, including approximately 5 acres dedicated or to be dedicated for roads, public areas, easements, open spaces and lakes. See "CURRENT STATUS OF DEVELOPMENT IN THE DISTRICT."

INFECTIOUS DISEASE OUTLOOK (COVID-19)

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 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.

Since such time, COVID-19 has negatively affected commerce, travel and businesses locally and globally, and negatively affected economic growth worldwide and within the State. Following the widespread release and distribution of various COVID-19 vaccines in 2021 and a decrease in active COVID-19 cases generally in the United States, state governments (including Texas) have started to lift business and social limitations associated with COVID-19. Beginning in March 2021, the Governor issued various executive orders, which, among other things, rescinded and superseded prior executive orders and provide that there are currently no COVID-19 related operating limits for any business or other establishment. The Governor retains the right to impose additional restrictions on activities if needed to mitigate the effects of COVID-19. Additional information regarding executive orders issued by the Governor is accessible on the website of the Governor at https://gov.texas.gov/. Neither the information on, nor accessed through, such website of the Governor is incorporated by reference into this Official Statement.

With the easing or removal of COVID-19 associated governmental restrictions, economic activity has increased. However, there are no assurances that such increased economic activity will continue or continue at the same rate, especially if there are future outbreaks of COVID-19. The District has not experienced any decrease in property values, unusual tax delinquencies, or interruptions to 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.

INVESTMENT CONSIDERATIONS

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

SELECTED FINANCIAL INFORMATION

(UNAUDITED)

2021 Certified Taxable Assessed Valuation		$2,791,649,136	(a)
Direct Debt			
The Remaining Outstanding Bonds	$	4,605,000	(b)
The Bonds		3,475,000	
Total	$	8,080,000	
Estimated Overlapping Debt		$ 148,455,085	(c)
Total Direct and Estimated Overlapping Debt		$ 156,535,085	(c)
Direct Debt Ratio:			
As a Percentage of 2021 Certified Taxable Assessed Valuation		0.29%	
Direct and Estimated Overlapping Debt Ratio:			
As a Percentage of 2021 Certified Taxable Assessed Valuation		5.61%	
Debt Service Fund Balance (as of January 31, 2022)	$	1,729,296	(d)
Capital Projects Fund Balance (as of January 31, 2022)	$	86,210	
Operating Fund Balance (as of January 31, 2022)	$	5,786,663	
2021 Tax Rate			
Debt Service		$0.04	
Maintenance and Operations		0.03	
Total		$0.07	
Average Annual Debt Service Requirement (2022–2033)	$	804,583	(e)
Maximum Annual Debt Service Requirement (2026)	$	1,014,169	(e)
Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay Average Annual Debt Service Requirement (2022–2033):			
Based on 2021 Certified Taxable Assessed Valuation at 95% Tax Collections		$0.04	
Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay Maximum Annual Debt Service Requirement (2026):			
Based on 2021 Certified Taxable Assessed Valuation at 95% Tax Collections		$0.04	

(a) As certified by the Montgomery Central Appraisal District. See "TAX DATA" and "TAXING PROCEDURES."
(b) Excludes the Refunded Bonds. See "DISTRICT DEBT—Remaining Outstanding Bonds."
(c) See "DISTRICT DEBT – Direct and Estimated Overlapping Debt Statement."
(d) Neither Texas law nor the Bond Order requires that the District maintain any particular sum in the debt service fund. $62,000 of such balance will be applied to refund the Refunded Bonds.
(e) Requirement of debt service on the Remaining Outstanding Bonds and the Bonds. See "DISTRICT DEBT – Debt Service Requirements."

$3,475,000

THE WOODLANDS METRO CENTER MUNICIPAL UTILITY DISTRICT, OF MONTGOMERY COUNTY, TEXAS
(A Political Subdivision of the State of Texas, located within Montgomery County)

UNLIMITED TAX REFUNDING BONDS, SERIES 2022

INTRODUCTION

This Official Statement provides certain information in connection with the issuance by The Woodlands Metro Center Municipal Utility District, of Montgomery County, Texas (the "District") of its $3,475,000 Unlimited Tax Refunding Bonds, Series 2022 (the "Bonds").

The Bonds are issued pursuant to (i) the Bond Order ("Bond Order") adopted by the Board of Directors of the District on the date of the sale of the Bonds, (ii) the Constitution and general laws of the State of Texas, particularly Chapters 49 and 54, Texas Water Code, as amended, and Chapter 1207 Government Code, as amended, (iii) an election held within the District on August 12, 1989, and (iv) Ordinance No. 97-416 of the City of Houston relating to refunding bonds issued by conservation and reclamation districts within the extraterritorial jurisdiction of Houston (the "Ordinance").

Certain capitalized terms used in this Official Statement have the same meanings assigned to such terms in the Bond Order, except as otherwise indicated herein.

This Official Statement also includes information about the District and certain reports and other statistical data. The summaries and references to all documents, statutes, reports and other instruments referred to herein do not purport to be complete, comprehensive or definitive and each summary and reference is qualified in its entirety by reference to each such document, statute, report, or instrument.

PLAN OF FINANCING

Use of Proceeds

Proceeds from the sale of the Bonds, together with other lawfully available debt service funds, will be used to currently refund $3,505,000 principal amount (the "Refunded Bonds") of the District's $5,745,000 Unlimited Tax Refunding Bonds, Series 2010 ("Series 2010 Refunding Bonds") and the $3,690,000 Waterworks and Sewer System Unlimited Tax Bonds, Series 2013 ("Series 2013 Bonds"). Proceeds from sale of the Bonds will also be used to pay costs of issuance of the Bonds. The sale of the Bonds and the refunding of the Refunded Bonds will result in an annual and net present value savings in the District's current annual debt service requirements.

The Refunded Bonds

The principal amounts and maturity dates of the Refunded Bonds are set forth as follows:

Series 2010 Refunding Bonds		Series 2013 Bonds	
Principal Amount	Maturity Date	Principal Amount	Maturity Date
$ 290,000	10/1/2023	$ 180,000	10/1/2024
305,000	10/1/2024	190,000	10/1/2025 (a)
320,000	10/1/2025	200,000	10/1/2026
335,000	10/1/2026	210,000	10/1/2027 (b)
$ 1,250,000		220,000	10/1/2028
		230,000	10/1/2029 (c)
		240,000	10/1/2030
		250,000	10/1/2031 (d)
		260,000	10/1/2032
		275,000	10/1/2033 (e)
		$ 2,255,000	
Redemption Date	4/5/2022	Redemption Date	4/5/2022

Total Principal Amount of the Refunded Bonds: $3,505,000

(a) Represents a term bond in the total principal amount of $370,000 scheduled to mature on October 1, 2025.
(b) Represents a term bond in the total principal amount of $410,000 scheduled to mature on October 1, 2027.
(c) Represents a term bond in the total principal amount of $450,000 scheduled to mature on October 1, 2029.
(d) Represents a term bond in the total principal amount of $490,000 scheduled to mature on October 1, 2031.
(e) Represents a term bond in the total principal amount of $535,000 scheduled to mature on October 1, 2033.

Escrow Agreement

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

The Bond Order provides that the District and the Escrow Agent will enter into an escrow agreement (the "Escrow Agreement") to be dated as of the date of the sale of the Bonds but effective on the Date of Delivery of the Bonds (expected to be March 29, 2022). The Bond Order further provides that from the proceeds of the sale of the Bonds, along with certain other lawfully available funds of the District, the District will deposit with the Escrow Agent the amount necessary to accomplish the discharge and final payment of the Refunded Bonds. Such funds will be held by the Escrow Agent in a segregated escrow account (the "Escrow Fund") and a portion of such funds will be used to purchase United States Treasury Obligations (the "Escrowed Securities") maturing at such times and amounts as will be sufficient to pay scheduled payments on the Refunded Bonds on their redemption dates. Under the Escrow Agreement, the Escrow Fund is irrevocably pledged to the payment of principal of and interest on the Refunded Bonds and will not be available to pay principal of and interest on the Bonds or the Remaining Outstanding Bonds.

Defeasance of the Refunded Bonds

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

Sources and Uses of Funds

The proceeds derived from the sale of the Bonds, together with lawfully available debt service funds, will be applied as follows:

I.	**SOURCES OF FUNDS**	
	Principal Amount of Bonds	$ 3,475,000.00
	Original Issue Premium	185,913.75
	Debt Service Fund Transfer	62,000.00
	Total Sources of Funds	$ 3,722,913.75
II.	**USES OF FUNDS**	
	Deposit to Escrow Fund for Refunded Bonds	$ 3,574,679.14
	Issuance Expenses, Underwriter's Discount and Additonal Proceeds	148,234.61
	Total Uses of Funds	$ 3,722,913.75

THE BONDS

General

The following is a description of some of the terms and conditions of the Bonds, which description is qualified in its entirety by reference to the Bond Order, a copy of which is available from Bond Counsel upon payment of the costs of duplication therefor. The Bond Order authorizes the issuance and sale of the Bonds and prescribes the terms, conditions and provisions for the payment of the principal of and interest on the Bonds by the District.

Description

The Bonds will be dated March 1, 2022, with interest payable on October 1, 2022, and on each April 1 and October 1 thereafter (each an "Interest Payment Date") until the earlier of maturity or redemption. Interest on the Bonds initially accrues from the Date of Delivery of the Bonds, and, thereafter, from the most recent Interest Payment Date. The Bonds mature on October 1 in each of the years and in the principal amounts shown under "MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND INITIAL REOFFERING YIELDS" on the inside cover page hereof. The Bonds are issued in fully registered form only in denominations of $5,000 or any integral multiple of $5,000 for any one maturity. The Bonds will be registered and delivered only to The Depository Trust Company, New York, New York ("DTC"), in its nominee name of Cede & Co., pursuant to the book-entry system described herein ("Registered Owners"). No physical delivery of the Bonds will be made to the purchasers thereof. See "BOOK-ENTRY-ONLY SYSTEM." Interest calculations are based upon a three hundred sixty (360) day year composed of twelve (12) thirty (30) day months.

Authority for Issuance

At an election held on August 12, 1989, voters of the District authorized a total of $18,600,000 principal amount in bonds for the purpose of refunding bonds of the District. The Bonds constitute the District's eighth issuance of bonds from such authorization. The Bonds are issued by the District pursuant to said election and to the terms and provisions of the Bond Order; Article XVI, Section 59 of the Texas Constitution; Chapter 1207, Texas Government Code, as amended; Chapters 49 and 54 of the Texas Water Code, as amended; and in accordance with the Ordinance.

Source and Security for Payment

The Bonds, together with the Remaining Outstanding Bonds and any additional bonds payable from ad valorem taxes, are secured by and payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property located within the District. See "TAXING PROCEDURES." Investment in the Bonds involves certain elements of risk, and all prospective purchasers are urged to examine carefully this Official Statement with respect to the investment security of the Bonds. See "INVESTMENT CONSIDERATIONS." The Bonds are obligations solely of the District and are not obligations of the State of Texas; Montgomery County, Texas; the City of Houston, Texas; The Woodlands Township or any political subdivision or entity other than the District.

Funds

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

Record Date

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

Redemption Provisions

The District reserves the right, at its option, to redeem the Bonds maturing on and after October 1, 2029, prior to their scheduled maturities, in whole or from time to time in part, in integral multiples of $5,000, on October 1, 2028, or any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption. If fewer than all of the Bonds are to be redeemed, the particular maturity or maturities and the amounts thereof to be redeemed shall be determined by the District. If fewer than all of the Bonds of the same maturity are to be redeemed, the particular Bonds shall be selected by DTC in accordance with its procedures. See "BOOK-ENTRY-ONLY SYSTEM." Notice of each exercise of the reserved right of optional redemption shall be given by the Paying Agent/Registrar at least thirty (30) calendar days prior to the redemption date, in the manner specified in the Bond Order.

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

Method of Payment of Principal and Interest

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

Registration

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

Replacement of Paying Agent/Registrar

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

Legal Investment and Eligibility to Secure Public Funds in Texas

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

> "(a) All bonds, notes, and other obligations issued by a district shall be legal and authorized investments for all banks, trust companies, building and loan associations, savings and loan associations, insurance companies of all kinds and types, fiduciaries, and trustees, and for all interest and sinking funds and other public funds of the state, and all agencies, subdivisions, and instrumentalities of the state, including all counties, cities, towns, villages, school districts, and all other kinds and types of districts, public agencies, and bodies politic.
>
> (b) A district's bonds, notes, and other obligations are eligible and lawful security for all deposits of public funds of the state, and all agencies, subdivisions, and instrumentalities of the state, including all counties, cities, towns, villages, school districts, and all other kinds and types of districts, public agencies, and bodies politic, to the extent of the market value of the bonds, notes, and other obligations when accompanied by any unmatured interest coupons attached to them."

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

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

Issuance of Additional Debt

The District may issue bonds necessary to provide those improvements and facilities for which the District was created, with approval of the Texas Commission on Environmental Quality (the "TCEQ") and, in the case of bonds payable from taxes, the District's voters. At an election on August 12, 1989, voters of the District authorized $18,600,000 principal amount of unlimited tax refunding bonds for the purpose of refunding the District's Outstanding Bonds. Following the issuance of the Bonds, $2,417 principal amount of unlimited tax refunding bonds remains authorized but unissued. The District's voters have also authorized a total of $31,500,000 unlimited tax bonds for the purpose of acquiring, constructing, owning, operating, repairing, improving or extending the water, sanitary sewer and drainage facilities to serve the District and have $8,940,000 principal amount authorized but unissued. Additional tax or tax and revenue bonds may be voted in the future. The Board is further empowered to borrow money, under limited circumstances, for its lawful corporate purpose and to issue revenue notes, bond anticipation notes, or tax anticipations notes. See "INVESTMENT CONSIDERATIONS – Future Debt."

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

The Bond Order imposes no limitation on the amount of additional bonds that may be issued by the District. Any additional bonds issued by the District may be on parity with the Bonds.

Financing Recreational Facilities

Conservation and reclamation districts in certain counties are authorized to develop and finance with property taxes certain recreational facilities after a district election has been successfully held to approve a maintenance tax to support recreational facilities and/or the issuance of bonds payable from taxes.

The District is authorized to levy an operation and maintenance tax to support recreational facilities at a rate not to exceed 10 cents per $100 of assessed valuation of taxable property in the District, after such tax is approved at an election. Said maintenance tax is in addition to any other maintenance tax authorized to be levied by the District. In addition, the District is authorized to issue bonds payable from an ad valorem tax to pay for the development and maintenance of recreational facilities if (i) the District duly adopts a plan for the facilities; (ii) the bonds are authorized at an election; (iii) the bonds payable from any source do not exceed 1% of the value of the taxable property in the District at the time of issuance of the bonds, or, in the event the District meets certain conditions, 3% of the value of the taxable property in the District at the time of issuance of the bonds, but in no event an amount greater than the estimated cost in the plan; (iv) the District obtains any necessary governmental consents allowing the issuance of such bonds; (v) the issuance of the bonds is approved by the TCEQ in accordance with its rules with respect to same; and (vi) the bonds are approved by the Attorney General of Texas. The District may issue bonds for such purposes payable solely from net operating revenues without an election.

The District has not considered calling an election to authorize bonds payable from taxes for recreational facilities or to authorize the levy of an operation and maintenance tax to support recreational facilities, but could consider doing so in the future.

The levy of taxes for such purposes may dilute the security for the Bonds.

Annexation, Incorporation and Consolidation

The District lies within the extraterritorial jurisdiction of the City of Houston, Texas (the "City"). Under Texas law, a district situated in the extraterritorial jurisdiction of a home-rule city may be annexed in whole, but not in part, by the City subject to compliance by the City with various requirements of Chapter 43 of the Texas Local Government Code, as amended. Such requirements may include the requirement that the City hold an election in the District whereby qualified voters of the District approve the proposed annexation. If the District is annexed, the City must assume the assets, functions and obligations of the District, including the District's Remaining Outstanding Bonds and abolish the District within ninety (90) days of the date of the annexation. No representation is made concerning the eventual likelihood of annexation or the ability of the City to make debt service payments should annexation occur.

In addition, the District is located entirely within The Woodlands Township, Texas, (the "Township") a political subdivision of the State of Texas which overlaps substantially all of the territory of The Woodlands. The Woodlands Township, Texas, entered into agreements with the City of Conroe and the City in 2007 pursuant to which the area of the Township, including the District, may not be annexed for fifty (50) years, and the area of the Township may, on request by The Woodlands Township, Texas, be excluded from the extraterritorial jurisdiction of either or both cities, and may thereafter be incorporated as a municipality or may adopt a new form of local government.

In the event of incorporation of The Woodlands Township, Texas, the incorporated municipality may dissolve the District and assume the assets, obligations and liabilities of the District, including the Bonds. No representation is made concerning the eventual likelihood of incorporation of The Woodlands Township, Texas, the likelihood of the incorporated municipality to dissolve the District or the ability of the incorporated municipality to make debt service payments should incorporation and dissolution occur.

Under Texas law, the District may be consolidated with other municipal utility districts, with the assets and liabilities of the consolidated districts belonging to the consolidated district. No representation is made that the District will ever consolidate with one or more other districts, but the District currently has no plans to do so.

Consolidation

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

Remedies in Event of Default

If the District defaults in the payment of principal, interest, or redemption price on the Bonds when due, or if it fails to make payments into any fund or funds created in the Bond Order, or defaults in the observance or performance of any other covenants, conditions, or obligations set forth in the Bond Order, the Registered Owners have the right to seek a writ of mandamus issued by a court of competent jurisdiction requiring the District and its officials to observe and perform the covenants, obligations, or conditions prescribed in the Bond Order. Except for mandamus, the Bond Order does not specifically provide for remedies to protect and enforce the interests of the Registered Owners. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Further, there is no trust indenture or trustee, and all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the Registered Owners. Certain traditional legal remedies may also not be available. See "INVESTMENT CONSIDERATIONS – Registered Owners' Remedies and Bankruptcy."

Defeasance

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

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

(ii) gives notice of the reservation of that right to the owners of the Bonds immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds. Because the Bond Order does not contractually limit such investments, Registered Owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as currently permitted under Texas law.

BOOK-ENTRY-ONLY SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of and interest on the Bonds are to be paid to and credited by DTC while the Bonds are registered in its nominee's name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The District believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

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

DTC 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 required by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each of the Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC.

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

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

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

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

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

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 Issue as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

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

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

Use of Certain Terms in Other Sections of this Official Statement

In reading this Official Statement it should be understood that while the Bonds are in the book-entry form, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the book-entry system, and (ii) except as described above, notices that are to be given to registered owners under the Bond Order will be given only to DTC.

DISTRICT DEBT

General

The following tables and calculations relate to the Bonds and the Remaining Outstanding Bonds. The District and various other political subdivisions of government which overlap all or a portion of the District are empowered to incur debt to be paid from revenues raised or to be raised by taxation against all or a portion of the property.

2021 Certified Taxable Assessed Valuation	$2,791,649,136	(a)
Direct Debt		
The Remaining Outstanding Bonds	$ 4,605,000	(b)
The Bonds	3,475,000	
Total	$ 8,080,000	
Estimated Overlapping Debt	$ 148,455,085	(c)
Total Direct and Estimated Overlapping Debt	$ 156,535,085	(c)
Direct Debt Ratio:		
As a Percentage of 2021 Certified Taxable Assessed Valuation	0.29%	
Direct and Estimated Overlapping Debt Ratio:		
As a Percentage of 2021 Certified Taxable Assessed Valuation	5.61%	
Debt Service Fund Balance (as of January 31, 2022)	$ 1,729,296	(d)
Capital Projects Fund Balance (as of January 31, 2022)	$ 86,210	
Operating Fund Balance (as of January 31, 2022)	$ 5,786,663	
2021 Tax Rate		
Debt Service	$0.04	
Maintenance and Operations	0.03	
Total	$0.07	
Average Annual Debt Service Requirement (2022–2033)	$ 804,583	(e)
Maximum Annual Debt Service Requirement (2026)	$ 1,014,169	(e)
Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay Average Annual Debt Service Requirement (2022–2033):		
Based on 2021 Certified Taxable Assessed Valuation at 95% Tax Collections	$0.04	
Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay Maximum Annual Debt Service Requirement (2026):		
Based on 2021 Certified Taxable Assessed Valuation at 95% Tax Collections	$0.04	

(a) As certified by the Montgomery Central Appraisal District. See "TAX DATA" and "TAXING PROCEDURES."
(b) Excludes the Refunded Bonds. See "Remaining Outstanding Bonds" herein.
(c) See "– Direct and Estimated Overlapping Debt Statement" herein.
(d) Neither Texas law nor the Bond Order requires that the District maintain any particular sum in the debt service fund. $62,000 of such balance will be applied to refund the Refunded Bonds.
(e) Requirement of debt service on the Remaining Outstanding Bonds and the Bonds. See "– Debt Service Requirements" herein.

Remaining Outstanding Bonds

The District has previously issued ten (10) series of unlimited tax bonds and seven (7) series of unlimited tax refunding bonds, aggregating $75,485,000 in principal amount. Following the refunding of the Refunded Bonds, $4,605,000 principal amount of such previously issued unlimited tax bonds will remain outstanding (the "Remaining Outstanding Bonds"). The following table lists the principal amounts of the Remaining Outstanding Bonds.

Series		Original Principal Amount	Principal Currently Outstanding	Less: Refunded Bonds	Remaining Outstanding Bonds
2010	(a)	$ 5,745,000	$ 1,525,000	$ 1,250,000	$ 275,000
2013		3,690,000	2,590,000	2,255,000	335,000
2018		4,770,000	3,995,000	-	3,995,000
Total		$ 14,205,000	$ 8,110,000	$ 3,505,000	$ 4,605,000
The Bonds					3,475,000
The Bonds and Remaining Outstanding Bonds					$ 8,080,000

(a) Unlimited tax refunding bonds.

Direct and Estimated Overlapping Debt Statement

The following table indicates the indebtedness, defined as outstanding bonds payable from ad valorem taxes, of governmental entities overlapping the District and the estimated percentages and amounts of such indebtedness attributable to property within the District. This information is based upon data secured from the individual jurisdictions and/or *Texas Municipal Reports* prepared by the Municipal Advisory Council of Texas. Such figures do not indicate the tax burden levied by the applicable taxing jurisdictions for operation and maintenance or for other purposes.

Taxing Jurisdiction	Tax Year	AV	Debt as of 12/31/2021	Overlapping Percent	Overlapping Amount
Montgomery County	2021	$ 59,461,869,358	$ 485,170,000	4.69%	$ 22,778,033
Lone Star College System	2021	238,384,158,083	610,225,000	1.17%	7,146,172
The Woodlands RUD No. 1	2021	3,332,382,945	33,105,000	83.77%	27,733,171
The Woodlands Township	2021	21,115,678,570	25,055,000	13.22%	3,312,457
Conroe Independent School District	2021	43,115,433,624	1,351,160,000	6.47%	87,485,254
Total Estimated Overlapping Debt					$148,455,085
The District Direct Debt (a)					$ 8,080,000
Total Direct Debt and Estimated Overlapping Debt					$156,535,085

(a) Includes the Remaining Outstanding Bonds and the Bonds.

Debt Ratios

Direct Debt Ratio:

As a Percentage of 2021 Certified Taxable Assessed Valuation 0.29%

Direct and Estimated Overlapping Debt Ratio:

As a Percentage of 2021 Certified Taxable Assessed Valuation 5.61%

Debt Service Requirements

The following schedules set forth the debt service requirements of the outstanding bonds, less the debt service on the Refunded Bonds ($3,505,000 principal amount), and plus the debt service requirements on the Bonds.

Year	Outstanding Debt Service	Less: Refunded Debt Service	Plus: The Bonds Principal	Plus: The Bonds Interest	Total Debt Service
2022	$ 1,004,545	$ 136,329	$ -	$ 54,828	$ 923,044
2023	1,012,008	426,329	300,000	108,450	994,129
2024	1,023,048	609,729	495,000	99,450	1,007,769
2025	1,031,358	617,039	515,000	84,600	1,013,919
2026	1,033,463	623,444	535,000	69,150	1,014,169
2027	688,113	277,544	205,000	53,100	668,669
2028	690,488	279,669	215,000	44,900	670,719
2029	690,800	280,869	225,000	36,300	671,231
2030	689,956	281,669	235,000	29,550	672,838
2031	692,931	282,069	240,000	22,500	673,363
2032	689,981	282,069	250,000	15,300	673,213
2033	690,481	286,344	260,000	7,800	671,938
	$ 9,937,170	$ 4,383,100	$ 3,475,000	$ 625,928	$ 9,654,998

Average Annual Debt Service Requirement (2022–2033) .... $ 804,583

Maximum Annual Debt Service Requirement (2026) .... $ 1,014,169

TAXING PROCEDURES

Property Tax Code and County-Wide Appraisal District

The Texas Tax Code (the "Property Tax Code") requires, among other matters, county-wide appraisal and equalization of taxable property values and establishes in each county of the State of Texas a single appraisal district with the responsibility for recording and appraising property for all taxing units within a county and a single appraisal review board with the responsibility for reviewing and equalizing the values established by the appraisal district. The Montgomery Central Appraisal District (the "Appraisal District") has the responsibility for appraising property for all taxing units wholly within Montgomery County, including the District. Such appraisal values are subject to review and change by the Montgomery County Appraisal Review Board (the "Appraisal Review Board"). Under certain circumstances, taxpayers and taxing units (such as the District) may appeal the orders of the Appraisal Review Board by filing a petition for review in State district court. In such event, the value of the property in question will be determined by the court or by a jury if requested by any party. Absent any such appeal, the appraisal roll, as prepared by the Appraisal District and approved by the Appraisal Review Board, must be used by each taxing jurisdiction in establishing its tax roll and tax rate. The District is eligible, along with all other conservation and reclamation districts within Montgomery County, to participate in the nomination of and vote for a member of the Board of Directors of the Appraisal District.

Property Subject to Taxation by the District

Except for certain exemptions provided by Texas law, all real property and tangible personal property in the District is subject to taxation by the District; however, it is expected that no effort will be made by the District to collect taxes on personal property other than on personal property rendered for taxation, business inventories and the property of privately owned utilities. Principal categories of exempt property include property owned by the State of Texas or its political subdivisions if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies and personal effects; farm products owned by the producer; all oil, gas and mineral interests owned by an institution of higher education; certain property owned by exclusively charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; solar and wind-powered energy devices; and most individually owned automobiles.

In addition, the District may by its own action exempt residential homesteads of persons sixty-five (65) years or older or under a disability for purposes of payment of disability insurance benefits under the Federal Old-Age Survivors and Disability Insurance Act to the extent deemed advisable by the Board. The District would be required to call an election on such residential homestead exemption upon petition by at least twenty percent (20%) of the number of qualified voters who voted in the District's preceding election and would be required to offer such an exemption if a majority of voters approve it at such election. For the 2021 tax year, the District has granted an exemption of $15,000 of assessed valuation for persons sixty-five (65) years of age or older and to individuals who are under a disability for purposes of payment of disability insurance benefits under the Federal Old-Age, Survivors and Disability Insurance Act.

The District must grant exemptions to disabled veterans or certain surviving dependents of disabled veterans, if requested, of between $5,000 and $12,000 of assessed valuation depending upon the disability rating of the veteran, if such rating is less than 100%. A veteran who receives a disability rating of 100% is entitled to an exemption for the full value of the veteran's residence homestead. Additionally, subject to certain conditions, the surviving spouse of a disabled veteran who is entitled to an exemption for the full value of the veteran's residence homestead is also entitled to an exemption from taxation of the total appraised value of the same property to which the disabled veteran's exemption applied. A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran's disability rating if (i) the residence homestead was donated by a charitable organization at no cost to the disabled veteran or (ii) the residence was donated by a charitable organization at some cost to the disabled veteran if such cost is less than or equal to fifty percent (50%) of the total good faith estimate of the market value of the residence as of the date the donation is made. Also, the surviving spouse of a member of the armed forces or a first responder (as defined under Texas law) who was (i) killed in action, or (ii) fatally injured in the line of duty, is, subject to certain conditions, entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse.

A "Freeport Exemption" applies to goods, wares, merchandise, other tangible personal property and ores, other than oil, natural gas, and petroleum products (defined as liquid and gaseous materials immediately derived from refining oil or natural gas), and to aircraft or repair parts used by a certified air carrier acquired in or imported into Texas which are destined to be forwarded outside of Texas and which are detained in Texas for assembling, storing, manufacturing, processing or fabricating for less than 175 days. Although certain taxing units may take official action to tax such property in transit and negate such exemption, the District does not have such an option. A "Goods-in-Transit" Exemption is applicable to certain tangible personal property, as defined by the Property Tax Code, acquired in or imported into Texas for storage purposes and which is stored under a contract of bailment by a public warehouse operator at one or more public warehouse facilities in Texas that are not in any way owned or controlled by the owner of such property for the account of the person who acquired or imported such property. The exemption excludes oil, natural gas, petroleum products, aircraft, and certain special inventory including dealer's motor vehicles, dealer's vessel and outboard motor vehicle, dealer's heavy equipment and retail manufactured housing inventory. The exemption applies to covered property if it is acquired in or imported into Texas for assembling, storing, manufacturing, processing, or fabricating purposes and is subsequently forwarded to another location inside or outside of Texas not later than 175 days after acquisition or importation. A property owner who receives the Goods-in-Transit Exemption is not eligible to receive the Freeport Exemption for the same property. Local taxing units such as the District may, by official action and after public hearing, tax goods-in-transit personal property. A taxing unit must exercise its option to tax goods-in-transit property before January 1 of the first tax year in which it proposes to tax the property at the time and in the manner prescribed by applicable law. However, taxing units who took official action as allowed by prior law before October 1, 2011, to tax goods-in-transit property, and who pledged such taxes for the payment of debt, may continue to impose taxes against the goods-in-transit property until the debt is discharged without further action, if cessation of the imposition would impair the obligations of the contract by which the debt was created. The District has not exercised its option to tax goods-in-transit personal property but may choose to do so in the future.

General Residential Homestead Exemption

Texas law authorizes the governing body of each political subdivision in the State of Texas to exempt up to twenty percent (20%) of the appraised value of residential homesteads, but not less than $5,000 if any exemption is granted, from ad valorem taxation. The law provides, however, that where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged, if the cessation of the levy would impair the obligations of the contract by which the debt was created. For the 2021 tax year, the District granted a twenty percent (20%) general residential homestead exemption.

Valuation of Property for Taxation

Generally, property in the District must be appraised by the Appraisal District at market value as of January 1 of each year. Assessments under the Property Tax Code are to be based upon one hundred percent (100%) of market value. The appraised value of residential homestead property may be limited to the lesser of the market value of the property, or the sum of the appraised value of the property for the last year in which it was appraised, plus ten percent (10%) of such appraised value multiplied by the number of years since the last appraisal, plus the market value of all new improvements to the property. Once an appraisal roll is prepared and approved by the Appraisal Review Board, it is used by the District in establishing its tax rate. The Property Tax Code requires the Appraisal District to implement a plan for periodic reappraisal of property to update appraised values. The plan must provide for appraisal of all real property by the Appraisal District at least once every three (3) years. It is not known what frequency of reappraisal will be utilized by the Appraisal District or whether reappraisals will be conducted on a zone or county-wide basis.

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

District and Taxpayer Remedies

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

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

Agricultural, Open Space, Timberland and Inventory Deferment

The Property Tax Code permits land designated for agricultural use (including wildlife management), open space, or timberland to be appraised at its value based on the land's capacity to produce agriculture or timber products rather than at its fair market value. The Property Tax Code permits, under certain circumstances, that residential real property inventory held by a person in the trade or business be valued at the price all such property would bring if sold as a unit to a purchaser who would continue the business. Landowners wishing to avail themselves of any of such designations must apply for the designation, and the Appraisal District is required by the Property Tax Code to act on each claimant's right to the designation individually. A claimant may waive the special valuation as to taxation by some political subdivisions and not as to others. If a claimant receives the designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use for the three (3) years prior to the loss of the designation for agricultural, timberland or open space land. According to the District's Tax Assessor/Collector, as of January 1, 2021, no land within the District was designated for agricultural use, open space, timberland, or inventory deferment.

Tax Abatement

The City and Montgomery County may designate all or part of the District as a reinvestment zone, and the District, Montgomery County, and (if it were to annex the area) the City may thereafter enter into tax abatement agreements with the owners of property within the zone. The tax abatement agreements may exempt from ad valorem tax, by the applicable taxing jurisdictions, and by the District, for a period of up to ten (10) years, all or any part of any increase in the assessed valuation of property covered by the agreement over its assessed valuation in the year in which the agreement is executed, on the condition that the property owner make specified improvements or repairs to the property in conformity with a comprehensive plan. According to the District's Tax Assessor/Collector, the District has entered into several tax abatement agreements over the years. These agreements comprise the bulk of the exemptions shown in "TAX DATA – Analysis of Tax Base."

Levy and Collection of Taxes

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

Rollback of Operation and Maintenance Tax Rate

Chapter 49 of the Texas Water Code classifies certain special purpose districts, including the District, differently based on their current operation and maintenance tax rate or on the percentage of projected build-out that a district has completed. Districts that have adopted an operation and maintenance tax rate for the current year that is 2.5 cents or less per $100 of taxable value are classified herein as "Low Tax Rate Districts." Districts that have financed, completed, and issued bonds to pay for all land, improvements and facilities necessary to serve at least 95% of the projected build-out of the district are classified as "Developed Districts." Districts that do not meet either of the classifications previously discussed can be classified herein as "Developing Districts." The impact each classification has on the ability of a district to increase its maintenance and operations tax rate 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. See "SELECTED FINANCIAL INFORMATION" for a description of the District's current total tax rate.

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

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

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

The District: A determination as to a district's status as a Low Tax Rate District, Developed District or Developing District will be made by the Board of Directors on an annual basis. For the 2021 tax year, the Board of Directors determined that the District's status is that of a Developing District. 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 against which the tax is levied. In addition, on January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of each taxing unit, including the District, having power to tax the property. The District's tax lien is on a parity with tax liens of other such taxing units (see "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. Further, personal property under certain circumstances is subject to seizure and sale for the payment of delinquent taxes, penalties, and interest.

Except with respect to (i) owners of residential homestead property who are sixty-five (65) years of age or older or under a disability as described above and who have filed an affidavit as required by law and (ii) owners of residential homesteads who have entered into an installment agreement with the District for payment of delinquent taxes as described above and who are not in default under said agreement, at any time after taxes on property become delinquent, the District may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the District must join other taxing units that have claims for delinquent taxes against all or part of the same property. Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, or by taxpayer redemption rights (a taxpayer may redeem property that is a residence homestead or was designated for agricultural use within two (2) years after the deed issued at foreclosure is filed of record and may redeem all other property within six (6) months after the deed issued at foreclosure is filed of record) or by bankruptcy proceedings which restrict the collection of taxpayer debt. The District's ability to foreclose its tax lien or collect penalties and interest may be limited on property owned by a financial institution which is under receivership by the Federal Deposit Insurance

Corporation pursuant to the Federal Deposit Insurance Act, 12 U.S.C. 1825, as amended. Generally, the District's tax lien and a federal tax lien are on par with the ultimate priority being determined by applicable federal law. See "INVESTMENT CONSIDERATIONS – Tax Collection Limitations."

TAX DATA

General

Taxable property within the District is subject to the assessment, levy and collection by the District of a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, sufficient to pay principal of and interest on the Outstanding Bonds and the Bonds (and any future tax-supported bonds which may be issued from time to time as authorized). Taxes are levied by the District each year against the District's assessed valuation as of January 1 of that year. Taxes become due October 1 of such year, or when billed, and generally become delinquent after January 31 of the following year. The Board covenants in the Bond Order to assess and levy for each year that all or any part of the Bonds remain outstanding and unpaid a tax ample and sufficient to produce funds to pay the principal of and interest on the Bonds. The actual rate of such tax will be determined from year to year as a function of the District's tax base, its debt service requirements and available funds. In addition, the District has the power and authority to assess, levy and collect ad valorem taxes, not to exceed $0.25 per $100 of assessed valuation, for operation and maintenance purposes. The Board levied a 2021 tax rate of $0.04 per $100 of assessed valuation for debt service purposes and $0.03 per $100 of assessed valuation for operation and maintenance purposes.

Tax Rate Limitation

Debt Service: Unlimited (no legal limit as to rate or amount)
Maintenance: $0.25 per $100 taxable assessed valuation

Historical Tax Collections

The following table illustrates the collection history of the District from the 2016–2021 tax years:

Year	Assessed Valuation	Tax Rate per $100 (a)	Tax Levy	% of Current Collections	Tax Year Ending 9/30	Collections as 1/31/2022
2016	$ 142,861,117	$ 0.125000	$ 3,063,224	99.93%	2017	99.93%
2017	2,529,781,510	0.105000	2,656,322	99.94%	2018	99.94%
2018	2,658,639,771	0.090000	2,392,776	99.92%	2019	99.92%
2019	2,721,124,247	0.090000	2,449,012	99.85%	2020	99.85%
2020	2,720,825,820	0.090000	2,449,040	99.73%	2021	99.73%
2021	2,791,649,136	0.070000	1,954,154	(b)	2022	(b)

(a) Includes a tax for maintenance and operation purposes. See "Tax Rate Distribution" herein.
(b) In process of collection. 2021 taxes were due January 31, 2022.

Tax Rate Distribution

	2021	2020	2019	2018	2017
Debt Service	$ 0.040	$ 0.060	$ 0.070	$ 0.070	$ 0.065
M&O	0.030	0.030	0.020	0.020	0.040
Total	$ 0.070	$ 0.090	$ 0.090	$ 0.090	$ 0.105

Analysis of Tax Base

The following table illustrates the District's total taxable assessed value in the 2017-2021 tax years by type of property.

Type of Property	2021 Certified Taxable Assessed Valuation	2020 Certified Taxable Assessed Valuation	2019 Certified Taxable Assessed Valuation	2018 Certified Taxable Assessed Valuation	2017 Certified Taxable Assessed Valuation
Land	$ 800,969,811	$ 800,885,657	$ 801,550,977	$ 815,044,177	$ 608,290,900
Improvements	2,279,881,613	2,146,484,063	2,175,532,392	2,095,094,500	1,995,907,760
Personal Property	481,249,419	499,550,450	499,188,540	514,911,447	536,816,015
Exemptions	(770,451,707)	(726,094,350)	(755,147,662)	(766,410,353)	(611,233,165)
Total	$ 2,791,649,136	$ 2,720,825,820	$ 2,721,124,247	$ 2,658,639,771	$ 2,529,781,510

Principal Taxpayers

The following represents the principal taxpayers, type of property, and their taxable assessed values as of January 1, 2021:

Taxpayer	Property Type	2021 Tax Year	% of Tax Roll
HH Woodlands Tower Holdings LLC	Land & Improvements	$ 206,071,200	7.38%
The Woodlands Mall Associates	Land & Improvements	187,817,481	6.73%
IMI MSW LLC	Land & Improvements	134,959,500	4.83%
24 Waterway, LLC	Land & Improvements	75,586,190	2.71%
CSHV Woodlands LP	Land & Improvements	64,998,410	2.33%
Bit Holdings Forty-Six Inc.	Land & Improvements	57,140,960	2.05%
Waterway 1 Property Corp.	Land & Improvements	55,213,460	1.98%
3 Waterway Holdings, LLC	Land & Improvements	48,745,700	1.75%
2103 Rtesearch Forest Holding Company LLC	Land & Improvements	48,686,080	1.74%
RFL No. 4 LP	Land & Improvements	44,847,850	1.61%
Total		$ 924,066,831	33.10%

Tax Rate Calculations

The tax rate calculations set forth below are presented to indicate the tax rates per $100 of taxable assessed valuation that would be required to meet certain debt service requirements on the Remaining Outstanding Bonds and the Bonds if no growth in the District occurs beyond the 2021 Certified Taxable Assessed Valuation of $2,791,649,136. The following further assumes collection of 95% of taxes levied and the sale of no additional bonds:

Average Annual Debt Service Requirement (2022–2033) .... $ 804,583
Tax Rate of $0.04 on the 2021 Certified Taxable Assessed Valuation produces.................... $ 1,060,827

Maximum Annual Debt Service Requirement (2026).................... $ 1,014,169
Tax Rate of $0.04 on the 2021 Certified Taxable Assessed Valuation produces.................... $ 1,060,827

Estimated Overlapping Taxes

Property within the District is subject to taxation by several taxing authorities in addition to the District. Under Texas law, if ad valorem taxes levied by a taxing authority become delinquent, a lien is created upon the property which has been taxed. A tax lien on property in favor of the District is on parity with tax liens of other taxing jurisdictions. In addition to ad valorem taxes required to make debt service payments on bonded debt of the District and of such other jurisdictions (see "DISTRICT DEBT – Direct and Estimated Overlapping Debt Statement"), certain taxing jurisdictions are authorized by Texas law to assess, levy and collect ad valorem taxes for operation, maintenance, administrative and/or general revenue purposes. Set forth below is a compilation of all 2021 taxes levied by such jurisdictions per $100 of assessed valuation. Such levies do not include local assessments for community associations, fire department contributions, charges for solid waste disposal, or any other dues or charges made by entities other than political subdivisions.

Taxing Jurisdiction		2021 Tax Rate
The District	$	0.070000
Conroe Independent School District		1.176000
Montgomery County		0.408300
The Woodlands Township		0.223100
Woodlands RUD No. 1		0.180000
Montgomery County Hospital District		0.056700
Lone Star College System		0.107800
Estimated Total Tax Rate	$	2.221900

THE DISTRICT

General

The District is a conservation and reclamation district created by an order of the Texas Water Commission, predecessor to the Commission, on July 18, 1978, pursuant to Article XVI, Section 59, Texas Constitution and Chapters 49 and 54, Texas Water Code. The creation of the District was confirmed at an election held within and for the District on August 12, 1978, by a vote of four (4) for to none (0) against. The principal functions of the District are to finance, purchase, construct, own and operate water, sanitary sewer and drainage facilities and to provide such facilities and services to the customers of the District. The District may also provide solid waste collection and disposal services. In addition, the District is empowered, if approved by the electorate, the Commission and other governmental entities having jurisdiction, to establish, operate and maintain a fire department, either independently or with certain other districts. The Commission exercises continuing supervisory jurisdiction over the District.

Description

As originally created, the District contained approximately 662.78 acres of land, but due to a series of subsequent annexations and one exclusion, the District presently contains approximately 1,600 acres. The District is located approximately 30 miles north of the central business district of the City. The District is bounded by Montgomery County Municipal Utility District No. 6 ("MCMUD6") on the west, by Montgomery County Municipal Utility District No. 36 ("MCMUD36") on the south, by the City of Shenandoah to the north, and by Interstate Highway 45 to the east, and is accessible from Interstate Highway 45 via Woodlands Parkway, Research Forest Drive, College Park Drive (Texas State Highway 242) and Lake Woodlands Drive. The District is located within the exclusive extraterritorial jurisdiction of the City, and includes land developed primarily for commercial, office, retail, and technology development within the 28,000-acre community known as The Woodlands. The District has been developed by The Woodlands Land Development Company, L.P.

District Investment Policy

The District has adopted an investment policy as required by the Public Funds Investment Act, Chapter 2256, Texas Government Code. The policy of the District is to invest District funds only in instruments which further the following investment obligations of the District, stated in the order of importance: (1) the preservation of safety of principal; (2) liquidity; and (3) yield. The District does not own, nor does it anticipate the inclusion of, long term securities or derivative products in the District's portfolio.

Management of the District

The District is governed by a board of five (5) directors which has control and management supervision over all affairs of the District. The members of the board of directors are elected to their offices. All five of the members of the Board own property within the boundaries of the District.

All directors serve four-year staggered terms and all elections are held in even-numbered years. The present members and officers of the Board are listed below:

Name	Position	Term Expires
Carl Kennedy	President	May 2022
Ronald Wilson	Vice President/WJPA Trustee	May 2022
Gary Reed	Secretary/Treasurer	May 2024
Harry Allcott	Assistant Secretary/Treasurer	May 2024
John Cozart	Secretary/Treasurer	May 2022

The District does not have any full-time employees; however, the District contracts for management and administrative services, tax collecting, bookkeeping, facilities repair and maintenance, legal, financial advisory, auditing and other professional services, as follows:

Management and Administrative: The District has executed a contract for joint administrative and management services with Montgomery County Municipal Utility District Nos. 6, 7, 36, 39, 46, 47, 60 and 67 ("MCMUD6", "MCMUD7", "MCMUD36", "MCMUD39", "MCMUD46", "MCMUD47", "MCMUD60" and "MCMUD67", respectively) and The Woodlands Municipal Utility District No. 1 ("MUD1") to form The Woodlands Water Agency ("TWWA"), which has engaged the services of a full-time, experienced general manager, assistant managers and clerical staff, and maintains an office in The Woodlands. The contract provides that TWWA will furnish the District with general management services, including handling of customer inquiries, inspections of facilities, issuance of work orders, billing and accounting services, meter reading, collection of receivables, payment of bills, cash analyses and investments, collection of taxes, services in connection with meetings, hearings and elections, and other administrative services as may be agreed upon from time to time by the districts which are parties to the contract.

Facilities Repair and Maintenance: Pursuant to the above-referenced contract, TWWA also provides field operations, under the supervision of the general manager, including water and sewer taps and repair and maintenance of the District's system. Additionally, as may be necessary from time to time, the District may employ various contractors.

Water Supply and Wastewater Treatment: The District, MCMUD6, MCMUD7, MCMUD36, MCMUD39, MCMUD46, MCMUD47, MCMUD60, MCMUD67, MUD1 and Harris-Montgomery Counties Municipal Utility District No. 386 ("MUD386") have entered into long-term contracts with the San Jacinto River Authority ("SJRA") for the purchase of wholesale water supply and wastewater treatment services. See "THE SYSTEM" for additional information.

Auditor: The financial statements of the District as of September 30, 2021, and for the year then ended, included in the offering document, have been audited by Knox Cox & Company, L.L.P., Certified Public Accountants,, as stated in their report appearing herein. See "APPENDIX A" to this Official Statement.

Engineer: The District has contracted with LJA Engineering, Inc. (the "Engineer") for engineering services in connection with the overall planning activities and design of the System. Such engineering firm also has been used by the Developer (defined herein) to perform street design, platting and planning services within the District. Compensation for such engineering related to the facilities to be purchased or constructed by the District is based on the time and charges actually incurred, as reflected by prevailing schedules or hourly rates and charges, on a percentage of construction costs for the project, or on a lump sum basis.

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

Financial Advisor: Robert W. Baird & Co. Incorporated serves as the District's financial advisor (the "Financial Advisor"). The fee for services rendered in connection with the issuance of the Bonds is based on a percentage of the Bonds actually issued, sold, and delivered and, therefore, such fee is contingent upon the sale and delivery of the Bonds. See "GENERAL CONSIDERATIONS – Sources and Compilation of Information."

Special Consultants Related to Issuance of the Bonds

Verification Agent: At the time of delivery of the Bonds, Robert Thomas CPA, LLC, will verify to the District, Bond Counsel, Special Tax Counsel, Escrow Agent, and the Underwriter certain matters related to the issuance of the bonds and the refunding of the Refunded Bonds. See "VERIFICATION OF MATHEMATICAL CALCULATIONS."

Special Tax Counsel: The District has engaged the firm of Bracewell LLP, Austin, Texas, as Special Tax Counsel. The fees payable to Special Tax Counsel are contingent upon the issuance, sale, and delivery of the Bonds.

THE DEVELOPER

Role of the Developer

In general, activities of a developer in a utility district, such as the District, include defining a marketing program and building schedule, securing necessary governmental approvals and permits, arranging for construction of roads and the installation of certain utilities (including, in some cases, water, sewer and drainage facilities pursuant to the rules of the Commission, as well as gas, telephone and electric service) and selling improved lots and commercial reserves to builders or users. In addition, a developer is ordinarily the major taxpayer within a utility district during early stages of the development.

In contrast to the type of development program described above, however, The Woodlands encompasses a significantly broader scale of development with long-term development commitments by the Developer and its affiliates. The Developer and its affiliates have invested substantial funds in predevelopment activities, community amenities and commercial properties.

The Developer

The Woodlands has been developed by The Woodlands Land Development Company, L.P. (the "Developer"), a limited partnership whose partners are wholly owned by TWC Land Development, LLC and The Howard Hughes Corporation.

While The Howard Hughes Corporation indirectly owns the Developer, it is not responsible for the Developer's obligations. According to representatives of the Developer, it is a stand-alone, locally operated and managed company that has its own line of credit, business plan and economic model.

The Developer is under no obligation to develop its property in the District and may sell its property to another party or parties at any time. Neither the Developer nor any affiliate of the Developer has guaranteed payment of the Bonds.

STATUS OF DEVELOPMENT

General

The District is located in the Town Center and Research Forest areas of The Woodlands, the primary commercial, office and technology areas planned in The Woodlands. The District is located approximately 30 miles north of the Houston central business district. The Developer has advised the District that the development plan for The Woodlands provides that additional commercial, office, and light industrial growth in the ensuing years will occur in the District.

Development Status

Approximately 1,548 acres of the District's approximately 1,600 acres have been developed for building sites with roads and utilities, including 208 acres dedicated for roads, public areas, easements and open spaces. As of January, 2022, development within the District includes approximately 14.4 million square feet of completed buildings on 1,257 acres, including The Woodlands Mall, a 1,317,000 square foot, five-anchor retail mall. The remaining acreage within the District is comprised of approximately 52 acres to be developed and marketed as building sites, including approximately 5 acres dedicated or to be dedicated for roads, public areas, easements, open spaces and lakes.

THE WOODLANDS

THE INFORMATION CONTAINED IN THIS SECTION OF THE OFFICIAL STATEMENT HAS BEEN FURNISHED BY THE DEVELOPER AND IS, OF NECESSITY, BASED IN LARGE PART ON PLANS AND ESTIMATES. THIS SECTION INCLUDES A DISCUSSION OF THE WOODLANDS, A RESIDENTIAL, INDUSTRIAL AND COMMERCIAL DEVELOPMENT OF WHICH THE DISTRICT IS A PART.

THE DEVELOPER HAS NO BINDING COMMITMENT TO THE DISTRICT TO CARRY OUT ANY PLAN OF DEVELOPMENT AND THE FURNISHING OF INFORMATION RELATING TO THE PROPOSED DEVELOPMENT BY THE DEVELOPER SHOULD NOT BE INTERPRETED AS SUCH A COMMITMENT. NEVERTHELESS, THE DEVELOPER HAS ADVISED THE DISTRICT THAT IT HAS THE PRESENT INTENTION TO CARRY OUT THE DEVELOPMENT OF THE WOODLANDS ACCORDING TO THE PLANS PRESENTED.

General

The Woodlands is a community being developed approximately 27–32 miles north of downtown Houston. Located within a 28,000-acre tract of densely forested land, the community is generally situated adjacent to and west of Interstate Highway 45, south of FM 1488, and north of Spring Creek, which is the boundary line between Montgomery and Harris Counties. The Trade Center is adjacent to and east of Interstate Highway 45 between Texas State Highway 242 and FM 1488.

The Woodlands is located in a market sector of the greater Houston metropolitan area containing approximately 150 residential developments. Residential developments located in the market sector offer a variety of housing ranging in price generally from $250,000 to in excess of $2 million. The majority of these subdivisions offer some recreational facilities (e.g., swimming pools and clubhouses) and a few provide golf and tennis facilities. In some cases, schools are located within the subdivisions.

Formal opening of The Woodlands occurred in October, 1974. Substantial development, as more fully described herein, has occurred in the Village of Grogan's Mill, the Village of Panther Creek, the Village of Cochran's Crossing, the Village of Indian Springs, the Village of Alden Bridge, the Village of Sterling Ridge, Village of Creekside Park and College Park, which are each one of the eight residential villages in The Woodlands; parts of the Town Center, Research Forest, College Park; and the Trade Center. These areas currently have a population of approximately 120,000 residents, and nearly 2,400 employers provide employment for approximately 63,000 people.

The Development Plan and Status of Development

Access and Circulation: Primary access to The Woodlands is provided by Interstate Highway 45. The Woodlands has direct access by way of five freeway intersections, Woodlands Parkway, Rayford-Sawdust Road, Lake Woodlands Drive, Research Forest Drive (Tamina Road), and College Park Drive (Texas State Highway

242). Additional access between The Woodlands and downtown Houston and the Houston Intercontinental Airport is provided by the Hardy Toll Road which is owned and operated by the Harris County Toll Road Authority. An alternate access is provided from the FM 1960 area to The Woodlands via Kuykendahl Road in the westernmost portions of The Woodlands. Texas State Highway 242, a major east-west artery, connects U.S. 59, in southeast Montgomery County, to FM 1488, north of The Woodlands.

The internal circulation system within The Woodlands, designed to enhance and preserve the community's natural surroundings, is planned to include arterials, collector and local streets; bicycle paths; and pedestrian walkways.

Commercial, Industrial and Technology Development: The Woodlands' master plan calls for commercial and business activities to be conducted in urban and village shopping and service centers. The centers are scattered throughout the community, with most of the commercial activity centered in the Town Center. Some of the property has been designated for industrial, technological, and research use to provide a diverse range of employment opportunities for residents of The Woodlands. Most of the industrial development planned for The Woodlands is centered in the Trade Center, a rail-served industrial park, while technology and research development is primarily located in the Research Forest, College Park and northern portions of the Town Center.

To date, approximately 36 million square feet of commercial, retail, industrial, research, technology, and institutional facilities have been constructed in The Woodlands. Significant corporate commitments include a General Growth Properties, Inc. of The Woodlands Mall, site of Nordstrom; Dillard's; J.C. Penney; Dick's Sporting Goods; Barnes & Noble; P.F. Chang's; The Cheesecake Factory; Brio Tuscan Grille; Fleming's Steakhouse; Anthropologie; Ann Taylor Loft; Williams-Sonoma; Pottery Barn; Panera Bread Bakery & Café; Macy's; Macy's Furniture Gallery; Sweet Tomatoes; Donoho's Jewelers; Benihana Japanese Cuisine; Target; Landry's; Cinemark Tinseltown 17-screen theatre; Best Buy; Brinker International; Macaroni Grill; TGI Friday's; Bank of America; Shell; Chevron; Burger King; Compass Bank; ExxonMobil; Memorial Health Care System; St. Luke's Episcopal Health System; Drury Inn; CVS Pharmacy; Martin Brower (distribution for McDonald's Restaurants); Anadarko Petroleum; 90-room Courtyard Inn by Marriott; Chevron Phillips Chemical Company; Entergy; Houston Advanced Research Center; Hughes Christensen; Halliburton; Huntsman Chemical; La Quinta Motor Inn; Maersk Sealand; 90-room Residence Inn by Marriott; Amegy Bank; State Farm Insurance; U.S. Post Office, among others. Leasing commitments have been made by Allstate Insurance; Bank One; Barnes & Noble; Bruker Instruments; Chevron Pipeline; Cost Plus; CVS Pharmacy; Exult; Kroger; Marshall's; Merrill Lynch Pierce Fenner & Smith; Office Max; Randall's; Ross; Ulta (Beauty Store); WorldCom Network Services; and many more.

Residential Development: Since formal opening of The Woodlands in 1974, approximately 49,000 dwelling units have been completed, including approximately 35,000 single family detached units, and more than 13,500 apartment units, townhouses, assisted living and condominiums. New housing prices generally range from $250,000 to in excess of $2 million.

Residential support services include churches, schools, a hospital, a library, and governmental services. Thirty different religious organizations have constructed churches and related facilities. There are twenty-three public schools providing schooling from kindergarten to the 12th grade. Additionally, there are eleven private schools currently providing schooling from kindergarten through 12th grade and pre-kindergarten to 9th grade. The Lone Star College System constructed a campus which opened in September, 1995. Health care is provided at Memorial Hermann–The Woodlands Hospital, a 254-bed acute care facility, St. Luke's Hospital, a 150-bed health care facility, and Texas Children's Hospital, a facility with 24 emergency center rooms, 74 exam rooms, 4 operating rooms, 30 acute-care beds, 5 radiology rooms, and 8 intensive-care beds. There are eight fire stations and The Woodlands Fire Training Facility owned by The Woodlands Fire Department, which are located in the Villages of Indian Springs, Creekside Park, Sterling Ridge, Alden Bridge, Cochran's Crossing, Grogan's Mill, College Park and the main station located near Town Center. Montgomery County, in four separate buildings, operates a Court House Annex, a Public Library, a Community Center, and a public safety building, a branch of the Sheriff's Department. About one-third of all the land in The Woodlands open space, including wildlife corridors, park land, lakes and recreational areas. Many parks and open spaces are available, including the 203 acre Lake Woodlands. Other recreational facilities include 117 holes of golf, a swimming, diving, tennis and gym facility, two YMCAs and the Cynthia Woods Mitchell Pavilion, an amphitheater with seating capacity of 16,090.

THE SYSTEM

General

The area covered by the District is within the 28,000 acres of The Woodlands. SJRA's plan identifies the central or regional systems whereby sanitary sewage is collected and treated within three identifiable regions and water supply is provided in five different service areas. The SJRA has entered into a long-term cooperative agreement with the District and neighboring MCMUD Nos. 6, 7, 36, 39, 46, 47, 60, 67, MUD 1 and adjoining MUD 386 (within Montgomery County) (collectively, the "Participants") for the planning, financing, construction, ownership, operation, and maintenance of the water supply and sanitary sewage treatment facilities serving the Participants. Under these agreements, each district, as a customer of SJRA, has made or will make or finance capital payments to SJRA proportionate to the costs of facilities constructed and its ultimate service needs, and each makes payments to SJRA for operation and maintenance expenses in proportion to its volume of usage. These payments are based on estimated unit costs for such capacities and are made subject to such adjustments as may be necessary at the time when a periodic accounting for such costs can be made.

Sixth and Final Accounting

SJRA provides a periodic accounting to each customer district showing the actual and projected future unit cost of purchasing capacities in SJRA's Systems and the amounts payable to SJRA for reserved capacities in SJRA's Systems. Each customer district is then responsible for issuing the district's bonds, utilizing other district revenues or participating in a joint bond issue with other similarly situated districts to secure sufficient funds to make such payments to SJRA. In March 2017, SJRA completed a Sixth and Final Accounting updating and revising such unit costs for capacities in SJRA's Systems, and such periodic accounting report was approved by all customer districts.

Upon completion of the obligations pursuant to the Sixth and Final Accounting, the process of accounting (i.e., the collective process of financing the design, construction, and operation of additional facilities or provision of additional capacity) described in the First Interim Accounting through the Sixth and Final Accounting will be complete. If customer districts desire capacity in addition to the capacity reserved at such time, customer districts may purchase such capacity from SJRA on an individual basis.

Water System

Water is currently supplied from groundwater wells located within The Woodlands and surface water supplied by the SJRA GRP Division. The water distribution system presently planned for the development consists of five central water pump stations, one in each service area, together with appurtenant ground and elevated storage tanks and underground distribution piping. Based on an estimated population of 105,283 people living within The Woodlands, water demands are projected at approximately 20.43 million gallons per day ("MGD") for average daily demand or approximately 44.32 MGD for peak-day demand. The ultimate plant capacity of the water system is approximately 50 MGD. Due to concerns regarding over-pumping the aquifer, the Lone Star Groundwater Conservation District has placed restrictions on groundwater withdrawals in the area. A new surface water supply system has been constructed by the SJRA and began delivering surface water in September, 2015. Such surface water supply is in addition to the ground water supply as discussed above.

The central water supply facilities within The Woodlands presently consist of Water Plant Nos. 1, 2, 3, 4, and 5 and six elevated storage tanks (EST Nos. 1, 2, 3, 4, 5, and 7). The central water distribution facilities originating at the five water plants consist of a looped network of mains and secondary feeders sized to supply peak day demands and emergency requirements. Water distribution within the customer districts is accomplished through a looped network of mains, secondary feeders, and neighborhood distribution lines ranging up to 12 inches in diameter.

The surface water treatment and transmission system owned and operated by the SJRA GRP Division includes (1) an intake structure with a raw water pump station, (2) a water treatment plant, (3) treated water storage and high service pump station and (4) transmission lines to deliver the treated water to the necessary GRP participants. It is currently designed to deliver 30 MGD of treated surface water to the necessary GRP participants.

The District has purchased capacity sufficient to serve 7,494 equivalent single family connections ("ESFCs").

Conservation District

The District is located within the boundaries of the Lone Star Groundwater Conservation District (the "LSGCD"), which was created by the Texas Legislature to conserve, protect, and enhance the groundwater resources of Montgomery County. The LSGCD has adopted rules and a regulatory plan that required groundwater users within Montgomery County, including the City of Conroe, from which the District receives its water supply, to reduce groundwater usage by thirty percent (30%) by January 1, 2016. However, pursuant to notice provided by LSGCD on February 5, 2019, such rule has become null and void, and the LSGCD will develop new rules, which may result in future increases to fees charged by the LSGCD. In May of 2019, the Texas Water Development Board rejected the amended Groundwater Management Plan. The LSGCD has since filed a lawsuit to appeal the rejection of the amended Groundwater Management Plan by the Texas Water Development Board. The full impact of these matters on the District is not known at this time. Currently, to finance its operations, LSGCD bills permit holders, including the City of Conroe, an amount currently equal to $0.085 per 1,000 gallons of water pumped from permit wells.

In order to meet the requirements of the current regulatory plan of LSGCD, the San Jacinto River Authority ("SJRA") entered into a contract with LSGCD to develop an overall groundwater reduction plan ("GRP"). In turn, the City of Conroe entered into agreements with SJRA under which the water supply facilities of the two entities are included in the SJRA's GRP. SJRA partially converted to surface water sources in September of 2015 and has created a new, separate, non-profit operating division to implement a groundwater reduction plan and treated surface water system for substantially all of Montgomery County, including the District. The direct costs to SJRA's groundwater reduction plan division for the first phase of such conversion to surface water sources was approximately $500,000,000, which will be paid for through pumpage fees charged to the participants, including the District. Pursuant to the current GRP Rate Order adopted by SJRA, SJRA charges a fee of $2.73 per 1,000 gallons of groundwater pumped. Additionally, under such rate order, SJRA charges a surface water rate of $3.15 per 1,000 gallons of surface water delivered. The amount billed per 1,000 gallons by the SJRA is subject to increase in future years.

Waste Disposal System

A central sanitary sewage treatment plant exists in each of the three regions within The Woodlands. The sanitary sewage load for development through 2021 has been recently estimated at 10.49 MGD for the three central plants. The first central wastewater treatment plant of SJRA ("WWTP1") is located adjacent to MCMUD 6 along Sawdust Road and currently has capacity of 7.8 MGD. The second wastewater treatment plant ("WWTP2") is located adjacent to and east of the District as well as west of the intersection of Gosling Road and Research Forest Drive. WWTP2 has a permitted capacity of 6.0 MGD with provisions to increase to 7.8 MGD. The third wastewater treatment plant ("WWTP3") is located in the MCMUD 39 and is operating with a permitted capacity of up to 900,000 gallons per day.

The wastewater collection system within the District consists of a network of collection lines ranging up to 15 inches in diameter. This internal network of collection lines are owned by the District. This collection system empties wastewater into major trunk sewers, a part of the SJRA central system, which transport wastewater to the treatment facilities.

The District has capacity sufficient to serve 8,964 ESFCs.

Stormwater Conveyance and Flood Control Facilities

Practically all of the area within the District is heavily wooded and lies within the watershed of Spring Creek. Natural Drainage of the western portion of the property is provided by Panther Branch. The eastern portion of the property slopes in a southeasterly direction toward Interstate Highway 45. At the present time, outfall drainage for the property is accomplished by overland flow and natural channels. The extreme northern portion of the District drains to the east fork of the San Jacinto River through a system of drainage channels. Average elevation of the natural ground within the District is approximately 145 feet above mean sea level. The District has acquired from the Developer drainage facilities serving all of the developed area within the District.

National Weather Service Rainfall Study and Floodplain Regulations

In 2018, the National Weather Service completed a rainfall study known as NOAA Atlas 14, Volume 11 Precipitation-Frequency Atlas of the United States ("Atlas 14"). Floodplain boundaries within the District may be redrawn based on the Atlas 14 study based on a higher statistical rainfall amount, resulting in interim floodplain regulations applying to a larger number of properties and consequently leaving less developable property within the District. 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. Montgomery County adopted the Atlas 14 rainfall amounts effective January 1, 2019.

Operating History

The following sets forth in condensed form the results of the District's general operating fund for the District's fiscal years ended 2017 through 2021 prepared by the Financial Advisor for inclusion herein based on information obtained from the District's audited financial statements, reference to which is made for further and more complete information. See "APPENDIX A."

	Fiscal Year Ended September 30,				
Revenues	2021	2020	2019	2018	2017
Property Taxes	$ 814,549	$ 538,795	$ 565,040	$ 1,009,214	$ 1,330,447
Water Service	3,112,561	3,014,892	3,260,441	3,595,769	3,430,379
Sewer Fees	1,633,715	1,583,863	1,862,501	1,870,569	1,856,445
Tap Connection and Sewer Inspection Fees	5,000	16,975	5,400	32,450	22,875
Investment Earnings	5,448	63,967	122,207	69,141	23,507
Other	4,466	931	431	87	2,220
Total	$5,575,739	$5,219,423	$5,816,020	$6,577,230	$6,665,873
Expenditures					
Professional Fees	$ 20,527	$ 28,360	$ 37,762	$ 28,422	$ 26,457
Purchased Water and Sewer Service	4,322,312	4,113,777	4,477,007	4,695,998	4,507,599
Purchased Services from Joint Venture	356,859	323,527	309,079	266,716	217,028
Other	71,619	81,590	77,878	72,503	68,252
Capital Outlay	25,738	89,242	7,900	28,050	19,450
Principal Retirement	257,354	338,590	327,327	316,938	307,837
Interest and Fees	158,302	169,595	183,345	193,544	203,926
Total	$5,212,711	$5,144,681	$5,420,298	$5,602,171	$5,350,549
NET REVENUES (Deficit)	$363,028	$74,742	$395,722	$975,059	$1,315,324
Other Financing Sources (Uses)					
Equity in Net Income (Loss) of Joint Venture	$ (2,245)	$ 6,401	$ 5,299	$ (515)	$ 9,906
Internal Transfers	16,913	-	-	-	-
Beginning fund balance	$ 5,491,334	$ 5,410,191	$ 5,009,170	$ 4,034,626	$ 2,709,396
Ending fund balance	$5,869,030	$5,491,334	$5,410,191	$5,009,170	$4,034,626

INVESTMENT CONSIDERATIONS

General

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

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.

Since such time, COVID-19 has negatively affected commerce, travel and businesses locally and globally, and negatively affected economic growth worldwide and within the State. Following the widespread release and distribution of various COVID-19 vaccines in 2021 and a decrease in active COVID-19 cases generally in the United States, state governments (including Texas) have started to lift business and social limitations associated with COVID-19. Beginning in March 2021, the Governor issued various executive orders, which, among other things, rescinded and superseded prior executive orders and provide that there are currently no COVID-19 related operating limits for any business or other establishment. The Governor retains the right to impose additional restrictions on activities if needed to mitigate the effects of COVID-19. Additional information regarding executive orders issued by the Governor is accessible on the website of the Governor at https://gov.texas.gov/. Neither the information on, nor accessed through, such website of the Governor is incorporated by reference into this Official Statement.

With the easing or removal of COVID-19 associated governmental restrictions, economic activity has increased. However, there are no assurances that such increased economic activity will continue or continue at the same rate, especially if there are future outbreaks of COVID-19. The District has not experienced any decrease in property values, unusual tax delinquencies, or interruptions to 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.

Factors Affecting Taxable Values and Tax Payments

Principal Landowners' Obligations to the District: The District's tax base is concentrated in a small number of taxpayers. As reflected in this Official Statement under the caption "TAX DATA – Principal Taxpayers," the District's ten principal taxpayers in 2021 owned approximately 33.10% of the assessed value of property, including personal property, located in the District. The District cannot represent that its tax base will in the future be (i) distributed among a significantly larger number of taxpayers, or (ii) less concentrated in property owned by a relatively small number of property owners, than it is currently. Failure by one or more of the District's principal property owners to make full and timely payments of taxes due may have an adverse effect on the investment quality or security of the Bonds. If any one or more of the principal District taxpayers did not pay taxes due, the District might need to levy additional taxes or use other debt service funds available to meets its debt service requirements.

The District can make no representation that the taxable property values in the District will increase in the future or will maintain a value sufficient to support the proposed District tax rate or to justify continued payment of taxes by property owners. In 2021, the District levied a tax of $0.03 per $100 of assessed valuation for operation and maintenance purposes and a tax of $0.04 per $100 of assessed valuation for debt service purposes.

Hurricane Harvey

The Houston area, including Montgomery County, sustained widespread 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 TWWA, the facilities serving the District did not sustain any material damage and there was no interruption of water and sewer service. According to TWWA, no taxable property within the District experienced flooding or other damage as a result of Hurricane Harvey. See "THE DISTRICT – Management and Contract Services."

Potential Impact of Natural Disaster

The District is located near the Texas Gulf Coast and, as it has in the past, could be impacted by high winds and flooding caused by a hurricane, tornado, tropical storm, or other adverse weather event. In the event that a natural disaster should damage or destroy improvements and personal property in the District, the assessed value of such taxable properties could be substantially reduced, resulting in a decrease in the taxable assessed value of the District or an increase in the District's tax rate.

Specific Flood Type Risks

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

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

Tax Collection Limitations

The District's ability to make debt service payments may be adversely affected by difficulties in collecting ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien in favor of the District on a parity with the liens of all other state and local taxing authorities on the property against which taxes are levied, and such lien may be enforced by judicial foreclosure. The District's ability to collect ad valorem taxes through such foreclosure may be impaired by (a) cumbersome, time consuming and expensive collection procedures; (b) a bankruptcy court's stay of tax collection proceedings against a taxpayer; (c) market conditions affecting the marketability of taxable property within the District and limiting the proceeds from a foreclosure sale of such property; or (d) the taxpayer's right to redeem the property. The District's ability to foreclose its tax lien or collect penalties or interest on delinquent taxes may be limited on property owned by a financial institution which is under receivership by the Federal Deposit Insurance Corporation pursuant to the Federal Deposit Insurance Act, 12 U.S.C. Section 1825, as amended. 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. See "TAXING PROCEDURES."

Registered Owners' Remedies and Bankruptcy

In the event of default in the payment of principal of or interest on the Bonds, the Registered Owners have a right to seek a writ of mandamus requiring the District to levy sufficient taxes each year to make such payments. Except for mandamus, the Bond Order does not specifically provide for remedies to protect and enforce the interests of the Registered Owners. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Statutory language authorizing local governments such as the District to sue and be sued does not waive the local government's sovereign immunity from suits for money damages, so that in the absence of other waivers of such immunity by the Texas Legislature, a default by the District in its covenants in the Bond Order may not be reduced to a judgment for money damages. Even if the Registered Owners could obtain a judgment against the District, such a judgment could not be enforced by a direct levy and execution against the District's property. Further, the Registered Owners cannot themselves foreclose on property within the District or sell property within the District in order to pay the principal of and interest on the Bonds. Since there is no trust indenture or trustee, the Registered Owners would have to initiate and finance the legal process to enforce their remedies. The enforceability of the rights and remedies of the Registered Owners may be limited further by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. In this regard, should the District file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the District to seek judicial foreclosure of its tax lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge.

Bankruptcy Limitation to Registered Owners' Rights

Subject to the requirements of Texas law, the District may voluntarily proceed under Chapter 9 of the Federal Bankruptcy Code, 11 U.S.C. Sections 901–946. Under Texas law, the District must obtain the approval of the TCEQ prior to filing bankruptcy. The rights and remedies of the Registered Owners could be adjusted in accordance with the confirmed plan of adjustment of the District's debt.

Future Debt

Following the issuance of the Bonds, $2,417 principal amount of unlimited tax refunding bonds remains authorized but unissued. The District's voters have also authorized a total of $31,500,000 unlimited tax bonds for the purpose of acquiring, constructing, owning, operating, repairing, improving or extending the water, sanitary sewer and drainage facilities to serve the District and have $8,940,000 principal amount authorized but unissued. The District reserves in the Bond Order the right to issue the remaining authorized but unissued bonds plus such additional bonds as may hereafter be authorized by voters in the District. In addition, the District has the right to issue obligations, other than the Bonds, including revenue notes, tax anticipation notes and bond anticipation notes, and to borrow money for any valid public purpose. The issuance of additional obligations may increase the District's tax rate and adversely affect the security for and the investment quality and value of the Bonds. The District does not employ any formula with respect to assessed valuations, tax collections or other factors to limit the amount of parity bonds which it may issue. See "THE BONDS – Issuance of Additional Debt."

Marketability of the Bonds

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

Continuing Compliance with Certain Covenants

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

Approval of the Bonds

The Attorney General of Texas must approve the legality of the Bonds prior to their delivery. The Attorney General of Texas, however, 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.

Future and Proposed Legislation

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

LEGAL MATTERS

Legal Opinions

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

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

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

Legal Review

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

TAX MATTERS

The following discussion of certain federal income tax considerations is for general information only and is not tax advice. Each prospective purchaser of the Bonds should consult its own tax advisor as to the tax consequences of the acquisition, ownership and disposition of the Bonds.

Tax Exemption

In the opinion of Bracewell LLP, Special Tax Counsel, under existing law, interest on the Bonds is excludable from gross income for federal income tax purposes under section 103 of the Code, and is not a specific preference item for purposes of the alternative minimum tax.

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 bond proceeds and the source of repayment of bonds, limitations on the investment of bond proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of bond proceeds be paid periodically to the United States and a requirement that the issuer file an information report with the Internal Revenue Service (the "Service"). The District has covenanted in the Bond Order that it will comply with these requirements.

Special Tax Counsel's opinion will assume continuing compliance with the covenants of the Bond Order pertaining to those sections of the Code that affect the excludability of interest on the Bonds from gross income 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 Special Tax Counsel has not independently verified. Special Tax Counsel will further rely on the report (the "Report") of Robert Thomas

CPA, LLC, certified public accountants, regarding the mathematical accuracy of certain computations. If the District fails to comply with the covenants in the Bond Order or if the foregoing representations or the Report are determined to be inaccurate or incomplete, interest on the Bonds could become includable in gross income from the date of delivery of the Bonds, regardless of the date on which the event causing such inclusion occurs.

Except as stated above, Special Tax Counsel will express no opinion as to the amount of interest on the Bonds or any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or acquisition, ownership or disposition of, the Bonds. Certain actions may be taken or omitted subject to the terms and conditions set forth in the Bond Order upon the advice or with the approving opinion of Special Tax Counsel. Special Tax Counsel will express no opinion with respect to Special Tax Counsel's ability to render an opinion that such actions, if taken or omitted, will not adversely affect the excludability of interest of the Bonds from gross income for federal income tax purposes.

Special Tax Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on Special Tax Counsel's knowledge of facts as of the date thereof. Special Tax Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Special Tax Counsel's attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, Special Tax Counsel's opinions are not a guarantee of result and are not binding on the Service; rather, such opinions represent Special Tax 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 as to 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 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, regardless of the ultimate outcome of the audit.

Purchase of Tax-Exempt Obligations by Financial Institutions

Section 265(a) of the Code provides, in general, that a deduction for interest on indebtedness incurred to acquire or carry tax-exempt obligations is disallowed. Section 265(b) of the Code provides a specific complete disallowance of any deduction by a financial institution of its pro rata interest expense to reflect such financial institution's investment in tax-exempt obligations acquired after August 7, 1986. Section 265(b) also provides an exception for financial institutions for tax-exempt obligations that are properly designated or deemed designated by an issuer as "qualified tax-exempt obligations."

The Bonds have been designated as "qualified tax-exempt obligations" based, in part, on the District's representation that the amount of the Bonds, when added to the amount of all other tax-exempt obligations (not including private activity bonds other than "qualified 501(c)(3) bonds" or any obligations issued to currently refund any obligation to the extent the amount of the refunding obligation did not exceed the outstanding amount of the refunded obligation) issued or reasonably anticipated to be issued by or on behalf of the District during 2022, is not expected to exceed $10,000,000. Further, 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 2022.

Notwithstanding the designation of the Bonds as "qualified tax-exempt obligations" under this exception, financial institutions acquiring the Bonds will be subject to a 20% disallowance of allocable interest expense.

Collateral Tax Consequences

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, low and middle income taxpayers otherwise qualifying for the health insurance premium assistance credit and individuals otherwise qualifying for the earned income tax 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. Prospective purchasers of the Bonds should also be aware that, 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.

Tax Accounting Treatment of Original Issue Premium

The issue price of all or a portion of the Bonds exceeds the stated redemption price payable at maturity of such Bonds. Such Bonds (the "Premium Bonds") are considered for federal income tax purposes to have "bond premium" equal to the amount of such excess. The basis of a Premium Bond in the hands of an initial owner is reduced by the amount of such excess that is amortized during the period such initial owner holds such Premium Bond in determining gain or loss for federal income tax purposes. This reduction in basis will increase the amount of any gain or decrease the amount of any loss recognized for federal income tax purposes on the sale or other taxable disposition of a Premium Bond by the initial owner. No corresponding deduction is allowed for federal income tax purposes for the reduction in basis resulting from amortizable bond premium. The amount of bond premium on a Premium Bond that is amortizable each year (or shorter period in the event of a sale or disposition of a Premium Bond) is determined using the yield to maturity on the Premium Bond based on the initial offering price of such Premium Bond.

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

Tax Legislative Changes

Current law may change so as to directly or indirectly reduce or eliminate the benefit of the excludability of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, could 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 recently-enacted, proposed, pending or future legislation.

VERIFICATION OF MATHEMATICAL CALCULATIONS

The arithmetical accuracy of certain computations included in the schedules provided by the Financial Advisor on behalf of the District relating to (a) computation of the adequacy of the cash and the maturing principal of and interest on the Escrowed Securities to pay, when due, the principal or redemption price of and interest on the Refunded Bonds, (b) the computation of the yields on the Bonds, and (c) compliance with the Ordinance. The computations were independently verified by Robert Thomas CPA, LLC, based upon certain assumptions and information supplied by the Financial Advisor on behalf of the District, and the District. Robert Thomas CPA, LLC has restricted its procedures to verifying the arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information upon which the computations are based and accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions or the achievability of future events.

NO MATERIAL ADVERSE CHANGE

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

NO-LITIGATION CERTIFICATE

With the delivery of the Bonds, the President or Vice President and Secretary or Assistant Secretary of the Board will, on behalf of the District, execute and deliver to the Underwriter a certificate dated as of the date of delivery, to the effect that no litigation of any nature of which the District has notice is pending against or, to the knowledge of the District's certifying officers, threatened against the District, either in state or federal courts, contesting or attacking the Bonds; restraining or enjoining the authorization, execution or delivery of the Bonds; affecting the provision made for the payment of or security for the Bonds; in any manner questioning the authority or proceedings for the authorization, execution or delivery of the Bonds; or affecting the validity of the Bonds, the corporate existence or boundaries of the District or the title of the then present officers and directors of the Board.

CONTINUING DISCLOSURE OF INFORMATION

The offering of the Bonds qualifies for the Rule 15c2-12(d)(2) exemption from Rule 15c2-12(b)(5) of the United States and Securities Exchange Commission (the "SEC") regarding the District's continuing disclosure obligations because the District does not have more than $10,000,000 in aggregate amount of outstanding bonds and no person is committed by contract or other arrangement with respect to payment of the Bonds as required by the exemption. As required by the exemption, in the Bond Resolution, the District has made the following agreement for the benefit of the holders and beneficial owners of the Bonds. The District is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the District will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified events, to the Municipal Securities Rulemaking Board (the "MSRB") or any successor to its functions as a repository through its Electronic Municipal Market Access ("EMMA") system.

Annual Reports

The District will provide certain financial information and operating data which is customarily prepared by the District and is publicly available, annually to the MSRB. The financial information and operating data which will be provided with respect to the District includes all quantitative financial information and operating data of the general type included in "APPENDIX A" (Independent Auditor's Report and Financial Statements of the District). The District will update and provide this information to the MSRB within six months after the end of each of its fiscal years ending in or after 2022. Any information so provided shall be prepared in accordance with generally accepted auditing standards or other such principles as the District may be required to employ from time to time pursuant to state law or regulation, and audited if the audit report is completed within the period during which it must be provided. the audit report is not complete within such period, then the District shall provide unaudited financial statements for the applicable fiscal year to the MSRB within such six-month period, and audited financial statements when the audit report becomes available.

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

Event Notices

The District will provide timely notices of certain events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten business days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other material events affecting the tax-exempt 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; (13) consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, 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, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the District, any of which reflect financial difficulties. 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 Order makes any provision for debt service reserves or liquidity enhancement. In addition, the District will provide timely notice of any failure by the District to provide information, data, or financial statements in accordance with its agreement described above under "Annual Reports."

Availability of Information from MSRB

The District has agreed to provide the information only to the MSRB. The MSRB has prescribed that such information must be filed via EMMA. The MSRB makes the information available to the public without charge and investors will be able to access continuing disclosure information filed with the MSRB at www.emma.msrb.org.

Limitations and Amendments

The District has agreed to update information and to provide notices of 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 registered 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 or the Developer, 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 SEC Rule 15c2-12, taking into account any amendments and interpretations of such 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 Underwriter 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 with all continuing disclosure requirements in accordance with SEC Rule 15c2-12.

GENERAL CONSIDERATIONS

Sources and Compilation of Information

The information contained in this Official Statement has been obtained primarily from the District and from other sources believed to be reliable. No representation is made as to the accuracy or completeness of the information derived from sources other than the District. Summaries of certain laws, resolutions and other related documents are included herein subject to the detailed provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents for further information.

The information contained in this Official Statement relating to development and engineering generally and, in particular, the development and engineering information included in the sections captioned, "THE WOODLANDS," "THE DISTRICT" and "THE SYSTEM" has been provided by the Developer and has been included herein in reliance upon the authority of said firm as experts in the field of development civil engineering. Portions of information provided in this Official Statement under the section captioned "THE SYSTEM" has been provided by San Jacinto River Authority.

The information contained in this Official Statement relating to assessed valuations of property generally and, in particular, that information contained in the sections captioned "TAX DATA" and "DISTRICT DEBT" has been provided by the Montgomery Central Appraisal District. The District has included certain information herein in reliance upon its authority as an expert in the field of tax assessing and real property appraisal.

The information contained in this Official Statement in the section entitled "APPENDIX A – Audited Financial Statements of the District" has been provided by Knox Cox & Company, L.L.P., Certified Public Accountants, and has been included herein in reliance upon such firm's expertise in the fields of auditing and accounting. No person is entitled to rely upon the limited participation of such firm as an assumption of responsibility for, or an expression of opinion of any kind with regard to, the accuracy or completeness of any of the other information contained herein.

Updating of Official Statement

For the period beginning on the date of the award of the sale of the Bonds to the Initial Purchaser and ending on the ninety-first (91st) day after the "end of the underwriting period," (as defined in Rule 15c(2)-12(f)(2) of the United States Securities and Exchange Commission (the "SEC")), if any event shall occur of which the District has knowledge and as a result of which it is necessary to amend or supplement this Official Statement in order to make the statements herein, in light of the circumstances when this Official Statement is delivered to a prospective purchaser, not materially misleading, the District will promptly notify the Initial Purchaser of the occurrence of such event and will cooperate in the preparation of a revised Official Statement, or amendments or supplements hereto, so that the statements in this Official Statement, as revised, amended or supplemented, will not, in light of the circumstances when this Official Statement is delivered to a prospective purchaser, be materially misleading. The District assumes no responsibility for supplementing this Official Statement thereafter.

Certification as to Official Statement

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

Concluding Statement

The information set forth herein has been obtained from the District's records, audited financial statements and other sources which are considered to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will ever be realized. All of the summaries of the statutes, documents and resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such summarized documents for further information. Reference is made to official documents in all respects.

This Official Statement was approved by the Board of Directors of The Woodlands Metro Center Municipal Utility District, of Montgomery County, Texas, as of the date shown on the first page hereof.

/s/ Carl Kennedy
Carl Kennedy
President, Board of Directors
The Woodlands Metro Center Municipal Utility District,
of Montgomery County, Texas

ATTEST:
/s/ Gary Reed
Gary Reed
Secretary, Board of Directors
The Woodlands Metro Center Municipal Utility District,
of Montgomery County, Texas

APPENDIX A

Independent Auditor’s Report and Financial Statements of the District

The Woodlands Metro Center Municipal Utility District

MONTGOMERY COUNTY, TEXAS

FINANCIAL REPORT

September 30, 2021

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Knox Cox & Company, L.L.P.

Certified Public Accountants

8410 Highway 90A, Suite 150 | Sugar Land, Texas 77478
main: 346-772-2860 | fax: 346-772-2853

Independent Auditors' Report

Board of Directors
The Woodlands Metro Center Municipal Utility District
Montgomery County, Texas

We have audited the accompanying financial statements of the governmental activities and each major fund of The Woodlands Metro Center Municipal Utility District (the "District") as of and for the year ended September 30, 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 Woodlands Metro Center Municipal Utility District as of September 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 8 and 34, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Texas Supplementary Information (TSI) listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. This information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Sugar Land, Texas
January 12, 2022

Management's Discussion and Analysis

As management of The Woodlands Metro Center Municipal Utility District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended September 30, 2021.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by $32,640,205 (net position).
- As of September 30, 2021, the District's governmental funds reported an ending fund balance of $8,023,400.
- The District's cash balance at September 30, 2021 was $6,140,107, representing an increase of $10,988 from September 30, 2020.
- The District had revenues of $7,218,380 and a change in net position of $1,151,291 for the year ended September 30, 2021.
- At the end of the fiscal year, unrestricted and unassigned fund balance for the General Fund was $5,785,055, or 111 percent of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that did not affect cash flows in this fiscal period (e.g., depreciation).

The government-wide financial statements present functions of the District that are provided from funding sources (governmental activities). The government-wide financial statements can be found on pages 10-13 of this report.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the District consist solely of governmental funds (the General Fund, Debt Service Fund and Capital Projects Fund).

Governmental Funds - Governmental funds are used to account for essentially the same function reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented in the governmental funds with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide an adjustments column to facilitate this comparison between the governmental funds and g*overnmental activities*. The basic governmental fund financial statements can be found on pages 10-13 of this report.

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15 through 32 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's General Fund budget. Required supplementary information can be found on page 34 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by $32,640,205 as of September 30, 2021.

The largest portion of the District's net position reflects its net investment in capital assets (e.g. infrastructure). The District uses these capital assets to provide services to the customers we serve; consequently, these assets are not available for future spending.

Additionally, a portion of the District's net position represents unrestricted financial resources available for future operations.

SUMMARY OF STATEMENT OF NET POSITION
September 30, 2021 and 2020

	Governmental Activities	
	2021	**2020***
Current and other assets	$ 8,690,091	$ 8,560,613
Capital assets, net	37,878,489	38,639,774
Total Assets	46,568,580	47,200,387
Long-term liabilities	12,916,609	14,748,963
Other liabilities	1,011,766	962,510
Total Liabilities	13,928,375	15,711,473
Net Position:		
Net investment in capital assets	24,501,041	23,354,508
Restricted	2,088,808	2,423,272
Unrestricted	6,050,356	5,711,134
Total Net Position	$ 32,640,205	$ 31,488,914

- The prior fiscal year has been restated to capture a final debt payment to the San Jacinto River Authority.

Net position of the District, all of which relate to governmental activities, increased by $1,151,291. Key elements of the changes are as follows:

CHANGES IN NET POSITION
Years Ending September 30, 2021 and 2020

	Governmental Activities	
	2021	**2020***
Revenues		
Water and sewer charges	$ 4,746,276	$ 4,598,755
Property taxes, penalties and interest	2,455,692	2,430,821
Tap connection fees	5,000	16,975
Investment income and other	11,412	87,025
Total Revenues	7,218,380	7,133,576
Expenses		
Purchased water and sewer	4,322,312	4,113,777
Professional fees, contracted services and other	506,101	490,754
Interest on long-term debt	490,457	545,560
Depreciation and amortization	748,219	746,856
Total Expenses	6,067,089	5,896,947
Change in Net Position	1,151,291	1,236,629
Net position, beginning	31,488,914	30,252,285
Net Position, Ending	$ 32,640,205	$ 31,488,914

- The prior fiscal year has been restated to capture a final debt payment to the San Jacinto River Authority.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds - The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, fund balances may serve as a useful measure of a government's net resources available for spending for program purposes at the end of the fiscal year.

As of September 30, 2021, the District's governmental funds, which consist of a general fund, debt service fund and capital projects fund reported an ending fund balance of $8,023,400, which is an increase of $22,467 from last year's total of $8,000,933. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 111 percent of total general fund expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - The District's investment in capital assets as of September 30, 2021 amounts to $37,878,489 (net of accumulated depreciation). This investment in capital assets includes infrastructure and capacity rights.

CAPITAL ASSETS SCHEDULE
(net of depreciation)

Capacity rights	$ 28,235,262
Water system	10,428,550
Wastewater system	8,186,600
Drainage system	7,705,121
Engineering	1,415,188
Less: accumulated depreciation	(18,092,232)
Total Capital Assets, Net	$ 37,878,489

Additional information on the District's capital assets can be found in Note 7 in the notes to financial statements.

LONG-TERM DEBT

As of September 30, 2021, the District has a total bonded debt outstanding of $9,740,000. Interest expense for the 2021 fiscal year totaled $489,212 on this bonded debt. There were no new bond issues in 2021. These outstanding bonds have maturities ranging from fiscal years 2022 to 2033. Additional information on the District's long-term debt can be found in Note 8 in the notes to the financial statements.

ECONOMIC FACTORS

- Unrestricted and unassigned fund balance in the General Fund increased by $379,941 to $5,785,055. A planned decrease of fund balance of $172,628 was projected.

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of The Woodlands Metro Center Municipal Utility District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to The Woodlands Metro Center Municipal Utility District: The Woodlands Water Agency, P.O. Box 7580, The Woodlands, Texas 77380.

FINANCIAL STATEMENTS

The Woodlands Metro Center Municipal Utility District

STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET

September 30, 2021

	General	Debt Service	Capital Projects
Assets			
Cash and temporary investments	$ 5,768,796	$ 284,667	$ 86,644
Cash with fiscal agent		1,794,750	
Receivables:			
Property taxes	8,038	21,082	
Customer service accounts	600,245		
Internal receivables	249		
Due from San Jacinto River Authority	41,894		
Investment in joint venture	83,975		
Capital assets, net of accumulated depreciation:			
Capacity rights			
Infrastructure			
Total Assets	$ 6,503,197	$ 2,100,499	$ 86,644
Liabilities/Deferred Inflows and Fund Balances/Net Position			
Liabilities			
Accounts payable and accrued liabilities	$ 601,069	$ 11,442	$
Customer deposits	25,060		
Internal payables		249	
Accrued interest payable			
Long-term liabilities:			
Unamortized bond premium or (discount)			
Due within one year			
San Jacinto River Authority			
Bonds			
Due after one year			
San Jacinto River Authority			
Bonds			
Total Liabilities	626,129	11,691	
Deferred Inflows of Resources			
Unavailable revenue - property taxes	8,038	21,082	
Fund Balances/Net Position			
Fund Balances:			
Nonspendable investment in joint venture	83,975		
Restricted for capital projects			86,644
Restricted for debt service		2,067,726	
Unrestricted and unassigned	5,785,055		
Total Fund Balances	5,869,030	2,067,726	86,644
Total Liabilities and Fund Balances	$ 6,503,197	$ 2,100,499	$ 86,644
Net Position:			
Net investment in capital assets			
Restricted			
Unrestricted			
Total Net Position			

See Notes to Financial Statements.

Total	Adjustments (Note 2)	Statement of Net Position
$ 6,140,107	$	$ 6,140,107
1,794,750		1,794,750
29,120		29,120
600,245		600,245
249	(249)	
41,894		41,894
83,975		83,975
	28,235,262	28,235,262
	9,643,227	9,643,227
$ 8,690,340	37,878,240	$ 46,568,580
$ 612,511	$	$ 612,511
25,060		25,060
249	(249)	
	153,511	153,511
	220,684	220,684
	267,490	267,490
	1,630,000	1,630,000
	2,909,119	2,909,119
	8,110,000	8,110,000
637,820	13,290,555	13,928,375
29,120	(29,120)	
83,975	(83,975)	
86,644	(86,644)	
2,067,726	(2,067,726)	
5,785,055	(5,785,055)	
8,023,400	(8,023,400)	
$ 8,690,340		
	24,501,041	24,501,041
	2,088,808	2,088,808
	6,050,356	6,050,356
	$ 32,640,205	$ 32,640,205

The Woodlands Metro Center Municipal Utility District

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Year Ended September 30, 2021

	General	Debt Service	Capital Projects
Revenues			
Water service charges	$ 3,112,561	$	$
Sewer service charges	1,633,715		
Property taxes	814,549	1,629,958	
Penalties and interest		8,923	
Tap connection fees	5,000		
Investment earnings	5,448	1,408	90
Other	4,466		
Total Revenues	5,575,739	1,640,289	90
Expenditures/Expenses			
Current:			
Purchased water and sewer service	4,322,312		
Purchased services from joint venture	356,859	22,421	
Professional fees	20,527		
Other	71,619	25,327	1,903
Capital Outlay	25,738		
Debt Service:			
Principal retirement	257,354	1,575,000	
Interest and fiscal charges	158,302	352,799	
Issuance Costs			1,245
Depreciation and amortization			
Total Expenditures/Expenses	5,212,711	1,975,547	3,148
Excess (Deficiency) of Revenues Over (Under) Expenditures	363,028	(335,258)	(3,058)
Other Financing Sources (Uses)			
Internal transfers	16,913		(16,913)
Equity in net income (loss) of joint venture	(2,245)		
Total Other Financing Sources (Uses)	14,668		(16,913)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	377,696	(335,258)	(19,971)
Change in Net Position			
Fund Balances/Net Position - Beginning as restated	5,491,334	2,402,984	106,615
Fund Balances/Net Position - Ending	$ 5,869,030	$ 2,067,726	$ 86,644

See Notes to Financial Statements.

Exhibit B(2)

Total	Adjustments (Note 2)	Statement of Activities
$ 3,112,561	$	$ 3,112,561
1,633,715		1,633,715
2,444,507	2,262	2,446,769
8,923		8,923
5,000		5,000
6,946		6,946
4,466		4,466
7,216,118	2,262	7,218,380
4,322,312		4,322,312
379,280	7,445	386,725
20,527		20,527
98,849		98,849
25,738	(25,738)	
1,832,354	(1,832,354)	
511,101	(21,889)	489,212
1,245		1,245
	748,219	748,219
7,191,406	(1,124,317)	6,067,089
24,712	1,126,579	
(2,245)	2,245	
(2,245)	2,245	
22,467	(22,467)	
	1,151,291	1,151,291
8,000,933	23,487,981	31,488,914
$ 8,023,400	$ 24,616,805	$ 32,640,205

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NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the District conform with accounting principles generally accepted in the United States of America. The following is a summary of the most significant policies:

A. Reporting Entity

The Woodlands Metro Center Municipal Utility District (the "District") organized and operating under the provisions of Chapters 49 and 54, Texas Water Code was created by an order of the Texas Water Commission adopted on July 18, 1978 and confirmed at an election held on August 12, 1978. The Board of Directors held its first meeting on July 24, 1978, and the first bonds were sold on May 11, 1981. The District operates under a Board of Directors form of government and provides water and sewer services.

The District has contracted with various consultants to provide services to operate and administer the affairs of the District. The District has no employees or related payroll costs. The District is empowered, among other things, 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.

The District is a political subdivision of the State of Texas governed by an elected five member board and is considered a primary government. As required by accounting principles generally accepted in the United States of America, these financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the District's financial reporting entity. Based on these considerations, no other entities, organizations, or functions have been included in the District's financial reporting entity. Additionally, as the District is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the District's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the District is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining whether the District's financial reporting entity status is that of a primary government are that it has a separately elected governing body; it is legally separate; and it is fiscally independent of other state and local governments. Although not considered significant in the District's reporting entity evaluation, other prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable; and considerations pertaining to other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The District participates in a joint venture with other area municipal utility districts as more fully described in Note 9 of these financial statements.

The District's primary activities include construction, maintenance, and operation of water and sewer system facilities and debt service on bonds issued to construct the facilities.

As noted above, the District participates in a joint venture with other area municipal utility districts (collectively the "Participating Districts"). As provided in interlocal contracts by and among the Participating Districts, an independently governed agency known as The Woodlands Water Agency (the "Agency") provides administrative services and utility system maintenance and operating services for the Participating Districts. The Agency is governed by a Board of Trustees made up of members appointed by the governing Boards of the Participating Districts. The District records and accounts for its interest in the Agency in its General Fund by the equity method, as do all of the Participating Districts, with a portion of General Fund equity reserved in the amount of the District's equity interest. See Note 9 for additional disclosures regarding the Agency's operations.

B. Financial Statement Presentation

Management's Discussion and Analysis - GASB Statement No. 34 requires that financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "management's discussion and analysis" (MD&A). This analysis is similar to the analysis that private sector companies provide in their annual reports.

Government-wide Financial Statements - The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities, but also capital assets and long-term liabilities (such as buildings and infrastructure and general obligation debt). Accrual accounting reports all of the revenues and costs of providing services each year, not just those received or paid in the current year or soon thereafter, as is the case with the modified accrual basis of accounting. Governments report all capital assets, including infrastructure, in the government-wide Statement of Net Position and report related depreciation expense, the cost of "using up" capital assets, in the Statement of Activities. The net position of a government is broken down into three categories: 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

Fund Financial Statements - These statements focus on the District's major funds and are prepared using the modified accrual basis of accounting.

C. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the primary government and its component units, as applicable. The effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable. The District had no business-type activities or component units as of and for the year ended September 30, 2021.

The governmental funds financial statements consist of the balance sheet and statement of revenues, expenditures and changes in fund balance. These financial statements have been adjusted to arrive at the government-wide financial statement balances (statement of net position and statement of activities). Major individual governmental funds are reported as separate columns in the fund financial statements.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental funds financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if collected within 60 days of the end of the current fiscal period. Revenues accrued include interest earned on investments and income from District operations. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service requirements, as well as expenditures related to claims and judgments, are recorded only when payment is due.

The Governmental Accounting Standards Board has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be properly reported within one of the following fund balance categories:

Nonspendable:

To indicate fund balance associated with inventories, prepaids, long-term loans and notes receivable and property held for resale (unless the proceeds are restricted, committed or assigned).

Restricted:

To indicate fund balance that can be spent only for the specific purposes stipulated by the constitution, external resource providers or through enabling legislation.

Committed:

To indicate fund balance that can be used only for the specific purposes determined by a formal action of the Board of Directors (the District's highest level of decision-making authority).

Assigned:

To indicate fund balance to be used for specific purposes but do not meet the criteria to be classified as restricted or committed.

Unassigned:

To indicate the residual classification of fund balance in the General Fund and includes all spendable amounts not contained in the other classifications.

In circumstances where an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned and unassigned.

GASB 54 requires disclosure of any formally adopted minimum fund balance policies. The District does not currently have any such policies.

The accounting system is organized on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which comprise its assets, liabilities, fund equity or deficit, revenues and expenditures.

The District reports the following governmental funds:

General Fund

The General Fund is used to account for the operations of the District's water and sewer system and all other financial transactions not properly includable in other funds. The principal sources of revenue are related to water and sewer service operations. Expenditures include all costs associated with the daily operations of the District.

Debt Service Fund

The Debt Service Fund is used to account for the payment of interest and principal on the District's general long-term debt. The primary source of revenue for debt service is property taxes pursuant to requirements of the District's bond resolutions. Expenditures include costs incurred in assessing and collecting these taxes.

Capital Projects Fund

The Capital Projects Fund is used to account for the expenditure of bond proceeds for the construction of the District's water and sewer facilities.

E. Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources consist of unearned tax revenues.

F. Budget

An unappropriated budget is adopted for the General Fund. The budget is prepared using the same method of accounting as for financial reporting and serves as a planning tool. Encumbrance accounting is not utilized.

G. Short-Term Internal Receivables/Payables

During the course of operations, transactions occur between individual funds for specified purposes. These receivables and payables are classified as internal receivables and payables on the combined balance sheet. These amounts are eliminated for government-wide presentation.

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the government-wide financial statements. Capital assets, other than infrastructure items, are defined by the government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Property, plant, and equipment of the primary government, as well as the component units, is depreciated using the straight-line method over the following estimated useful lives:

Asset Description	Estimated Useful Life
Land	N/A
Capacity rights	N/A
Water system	30 years
Wastewater system	30 years
Drainage system	30-50 years
Engineering	30 years

I. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums or discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of any applicable bond premium or discount.

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

J. Estimates

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

K. Date of Management's Review

Subsequent events have been evaluated through January 12, 2022, which is the date the financial statements were available to be issued.

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes an adjustments column to arrive at the government-wide statement of net position balances. Amounts reported in the statement of net position are different because:

Total fund balances - governmental funds	$ 8,023,400
Capital assets used in governmental activities are not financial resources and are not reported in the funds.	37,878,489
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	29,120
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.	(13,290,804)
Net Position of Governmental Activities	$ 32,640,205

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes an adjustments column to arrive at changes in net position as reported in the government-wide statement of activities. Amounts reported in the statement of activities are different because:

Net change in fund balances - total governmental funds	$	22,467
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated lives and reported as depreciation expense. This is the amount by which depreciation and amortization exceeded capital outlay in the current period.		(727,681)
Repayment of bond principal is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		1,854,243
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		2,262
Change in Net Position of Governmental Activities	$	1,151,291

NOTE 3 - CASH AND TEMPORARY INVESTMENTS

Cash consists of interest bearing checking accounts and temporary investments consist of investments in TexPool, TexStar and Texas Class.

The carrying amounts for cash and temporary investment balances, which approximate fair values, by fund at September 30, 2021, are as follows:

	Checking	TexPool	TexStar	Texas CLASS	Total
General	$ 21,356	$ 570,586	$ 8,239	$ 5,168,615	$ 5,768,796
Debt Service	4,529	31,807	4,659	243,672	284,667
Capital Projects	8,126	78,518			86,644
	$ 34,011	$ 680,911	$ 12,898	$ 5,412,287	$ 6,140,107

Investment Policies

The District has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Government Code. The investments of the District are in compliance with its investment policy.

Applicable state laws and regulations allow the District to invest its funds in direct or indirect obligations of the United States, the State, or any county, city, school district, or other political subdivision of the State. Funds may also be placed in certificates of deposit of state or national banks or savings and loan associations (depository institutions) domiciled within the State. Related state statutes and provisions included in the District's bond resolutions require that all funds invested in depository institutions be guaranteed by federal depository insurance and/or be secured in the manner provided by law for the security of public funds. Balances in checking accounts in depository institutions were entirely guaranteed by federal depository insurance or security as provided by statutes and bond provisions at September 30, 2021.

Investment Pools

The District invests in the Texas Local Government Investment Pool (TexPool). The State Comptroller of Public Accounts (the "Comptroller") administers TexPool as a public funds investment pool through the Texas Treasury Safekeeping Trust Company (The "Trust Company"). The Comptroller is the sole officer, director, and shareholder of the Trust Company and thus maintains oversight responsibility of TexPool. TexPool uses amortized cost to value portfolio assets.

The District also participates in the Texas Short Term Asset Reserve Program ("TexStar"). TexStar is a local government investment pool organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. J.P. Morgan Investment Management and Hilltop Securities Inc. serve as co-administrators for TexStar. TexStar maintains a stable net asset value (NAV) of 1$ per share using the fair value method.

The District participates in Texas Cooperative Liquid Assets Security System ("Texas CLASS"). Texas CLASS is administered by Public Trust Advisors, LLC with Wells Fargo Bank Texas, N.A., as the custodian and is supervised by a Board of trustees who are elected by the participants.

The District's investment pools (TexPool, TexStar and Texas CLASS) are all in compliance with GASB 79. TexStar has elected to measure its investments at fair value. TexPool and Texas Class report assets at amortized cost. The District/Agency has mirrored these valuations. There are no limitations or restriction on withdrawals of either pool.

TexPool, TexStar and Texas CLASS are exempt from level of fair value disclosure because they are valued either at NAV or amortized costs.

Interest Rate Risk
In accordance with its investment policy, the District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than two years to meet cash requirements for ongoing operation.

Credit Risk – Investments
In accordance with its investment policy, the District minimized credit risk losses due to default of a security issuer or backer, by limiting investments to the safest types of securities. As the District's investments are in investment pools, the District is not exposed to custodial credit risk.

NOTE 4 - PROPERTY TAXES

The voters of the District have authorized the District's Board of Directors to levy maintenance taxes annually for use in financing general operations limited to $0.25 per $100 of assessed value. The District's bond resolution requires that ad valorem taxes be levied for use in paying interest and principal on long-term debt and for use in paying the cost of assessing and collecting taxes. Taxes levied for debt service requirements are without limitation as to rate or amount.

All property values are determined by the Montgomery County Appraisal District. A tax lien attaches to all properties within the District on January 1st of each year. Taxes are generally levied on October 1 and are due upon receipt of the tax bill by the property owner. Penalties and interest are charged if taxes are not paid by the succeeding January 31st. There is an additional twenty percent penalty charged on accounts delinquent after July 1st of each year which generally is payable to the District's delinquent tax attorney.

Property taxes are prorated between operations and debt service based on the respective rates adopted for the year of the levy. For the current year, the District levied a combined rate of $0.09 per $100 of assessed valuation of which $0.03 was allocated to maintenance and operations and $0.06 was allocated to debt service. The resulting tax levy was $2,450,136 on the adjusted taxable valuation of $2,722,373,311 for the 2020 tax year.

The District provides property tax abatements to encourage economic development activity within the District. Tax abatement agreements are authorized by general laws of the State of Texas and by resolutions adopted by the Board of Directors of the District. The District's tax agreements expire at various dates through 2022. For the 2020 tax year, the District's tax abatement agreements resulted in the abatement of approximately $157,000.

Property taxes receivable at September 30, 2021, consisted of the following:

	General Fund	Debt Service Fund	Total
2020 Levy	$ 2,914	$ 5,827	$ 8,741
2019 Levy	886	3,100	3,986
2018 Levy	471	1,649	2,120
2017 Levy	630	1,024	1,654
2016 Levy and prior	3,137	9,482	12,619
	$ 8,038	$ 21,082	$ 29,120

NOTE 5 - RECEIVABLES

Receivables as of year-end for the government's individual major funds are as follows:

	General	Debt Service	Total
Receivables:			
Taxes	$ 8,038	$ 21,082	$ 29,120
Accounts	600,245		600,245
Total Receivables	$ 608,283	$ 21,082	$ 629,365

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of unavailable revenue reported in the governmental funds were as follows:

	Unavailable	Unearned
Delinquent property taxes receivable - general fund	$ 8,038	$
Delinquent property taxes receivable - debt service fund	21,082	
	$ 29,120	$

NOTE 6 – UNAMORTIZED BOND PREMIUM OR (DISCOUNT)

A summary of changes in the unamortized bond premium or (discount) follows:

	Original Premium (Discount)	Balance at October 01, 2020	Current Year Amortization	Balance at September 30, 2021
Unlimited Tax Bonds:				
Series 2010 Refunding	$ 219,299	$ 85,285	$ 12,183	$ 73,102
Series 2014 Refunding	176,099	16,769	8,386	8,383
SJRA Refunding	310,200	206,802	17,233	189,569
Series 2018	(62,964)	(54,568)	(4,198)	(50,370)
Total	$ 642,634	$ 254,288	$ 33,604	$ 220,684

NOTE 7 - CAPITAL ASSETS

A summary of changes in capital assets for the year ended September 30, 2021, follows:

	Balance October 01, 2020	Increases	Decreases	Balance September 30, 2021
Governmental Activities:				
Nondepreciable Assets:				
Capacity rights	$ 28,235,262	$	$	$ 28,235,262
Depreciable Assets:				
Water system	10,408,012	20,538		10,428,550
Wastewater system	8,186,600			8,186,600
Drainage system	7,705,121			7,705,121
Engineering	1,415,188			1,415,188
	27,714,921	20,538		27,735,459
Less Accumulated Depreciation	(17,310,409)	(781,823)		(18,092,232)
Totals	$ 38,639,774	$ (761,285)	$	$ 37,878,489

Depreciation expense for the year ended September 30, 2021, totaled $781,823.

NOTE 8 - LONG-TERM DEBT

Long-term debt consists of bonds payable. Payments of principal and interest on the bonds are to be provided from tax levies on properties within the District. Investment income realized by the Debt Service Fund from investment of funds will be used to pay outstanding bond principal and interest.

The following is a summary of changes in bonds payable for the year ended September 30, 2021:

Bonds payable - October 01, 2020	$ 11,315,000
Bonds retired	(1,575,000)
Bonds payable - September 30, 2021	$ 9,740,000

Bonds payable at September 30, 2021, are comprised of the following individual issues:

	Amounts Outstanding	Interest Rate	Date Serially Begin/End	Maturity Interest Dates	Callable Date
2010 R	$2,160,000	2.00% - 4.00%	October 1 2011/2026	April 1/ October 1	Oct. 1, 2018*
2013	$2,745,000	2.00% - 4.12%	October 1 2014/2033	April 1/ October 1	Oct. 1, 2021*
2014 R	$ 565,000	1.70%	October 1 2015/2021	April 1/ October 1	Oct. 1, 2021*
2018	$4,270,000	2.10% - 3.625%	October 1 2019/2033	April 1/ October 1	Oct. 1, 2023*

* Or any interest payment date thereafter in accordance with redemption provisions of the bond resolution.

As of September 30, 2021, the debt service requirements on bonds outstanding for the next five fiscal years to maturity through 2034 are as follow:

Year	Principal	Interest	Total
2022	$ 1,630,000	$ 307,022	$ 1,937,022
2023	720,000	273,276	993,276
2024	750,000	250,027	1,000,027
2025	785,000	224,703	1,009,703
2026	820,000	197,410	1,017,410
2027	850,000	168,287	1,018,287
2028	535,000	144,300	679,300
2029	555,000	125,644	680,644
2030	575,000	105,378	680,378
2031	595,000	83,943	678,943
2032	620,000	61,456	681,456
2033	640,000	37,731	677,731
2034	665,000	12,739	677,739
	$ 9,740,000	$ 1,991,916	$ 11,731,916

At September 30, 2021, the District had authorized and unissued tax bonds in the amount of $8,940,000.

The Debt Service Fund has $2,067,726 available to service the above bonds.

The District is in compliance with all significant bond requirements and restrictions contained in the bond resolutions.

NOTE 9 – JOINT VENTURE – THE WOODLANDS WATER AGENCY

The District has entered into interlocal contracts with other area municipal utility districts (collectively the "Participating Districts") to create the Woodlands Water Agency (the "Agency"). The contracts provide for the Agency to purchase certain equipment and supplies, to install taps and connections to the Participating District's water and sewer systems, to perform required repair and maintenance work on these systems and to provide certain administrative services for the Participating Districts.

Each Board of the Participating Districts appoints one of its members to the Agency's Board of Trustees annually. The Agency's Board of Trustees controls the operations of the Agency, which includes adopting operating and capital budgets.

NOTES TO FINANCIAL STATEMENTS

The Agency’s summary financial position at September 30, 2021 is presented below:

Total Assets	$ 3,531,219
Total Liabilities	1,192,319
Net Assets	$ 2,338,900

The Participating Districts account for their share of the Agency’s net position on the equity method in their General Funds. Each Participating Districts’ respective shares are determined based on their proportionate share of cash contributions and all other cash payments and contributions made to the Agency on a cumulative basis.

At September 30, 2021, the Agency’s net position is allocated among the Participating Districts as follows:

The Woodlands MUD No. 1	$ 354,953
Montgomery County MUD No. 6	340,766
Montgomery County MUD No. 7	399,307
Montgomery County MUD No. 36	371,193
Montgomery County MUD No. 39	36,611
Montgomery County MUD No. 46	137,662
Montgomery County MUD No. 47	292,639
Montgomery County MUD No. 60	184,151
Montgomery County MUD No. 67	137,643
The Woodlands Metro Center MUD	83,975
	$ 2,338,900

Each Participating District’s share of participants’ equity at September 30, 2021 includes an initial contribution of $7,500, which will not be refunded except on withdrawal from the Agency or termination of the interlocal contracts.

The Agency’s summary operating results for the year ended September 30, 2021 are presented below along with the District’s related share:

	Agency	District
Total Revenues	$ 10,114,366	$ 391,031
Total Expenses	10,172,435	393,276
Revenues Over (Under) Expenses	(58,069)	(2,245)
Distributions	(410,000)	(6,747)
Participants' Equity - Beginning	2,806,969	92,967
Participants' Equity - Ending	$ 2,338,900	$ 83,975

The District's allocable share of revenues exceed the Agency's charges displayed below due to other revenues of the Agency.

Charges for the Agency's operating costs are based on the Participating District's number of monthly water and sewer billings, tap connections and direct costs incurred. During the year ended September 30, 2021, the District's contribution for the Agency's costs was made up of the following charges:

Tax administration	$ 22,421
Administration	77,616
Engineering	4,626
Meter reading	10,276
Water repair and maintenance	123,015
Sewer repair and maintenance	112,138
Billing income	2,525
Large ditch repair and maintenance	15,323
Storm sewer repair and maintenance	7,784
Postage	1,413
Other	1,859
Capital budget contribution	284
Inspections and connections	5,200
	$ 384,480

NOTE 10 – FINANCING AGREEMENTS WITH SAN JACINTO RIVER AUTHORITY

The District has entered into a series of financing agreements with the San Jacinto River Authority (SJRA). The agreements are for design, construction and other improvements to The Woodlands Waste Disposal System Project and The Woodlands Water Supply System Project. The agreements include provisions for advances to be made by the District in the initial stages of the project under certain circumstances. The District has made no advances in the fiscal year ended September 30, 2021.

The District's financing agreements with the SJRA also provide for the allocation of pro rata shares of SJRA revenue bond principal and interest to the District proportionate to the District's interest in the portion of project financed.

The District's proportionate share of the total revenue bond obligations of the SJRA varies by project. During the year ended September 30, 2021, the District funded $415,656 from the General Fund relating to the obligations of which $257,354 was for principal and $158,302 was for interest.

The following reflects the District's portion of existing debt of the SJRA for both the Waste Disposal System Project and the Water Supply System Project. The debt bears interest at varying rates and matures in 2033.

Year	Principal	Interest	Total
2022	$ 267,490	$ 149,814	$ 417,304
2023	278,827	137,289	416,116
2024	288,317	124,218	412,535
2025	300,978	114,089	415,067
2026	316,147	99,040	415,187
2027	331,332	83,234	414,566
2028	347,771	66,667	414,438
2029	363,567	49,278	412,845
2030	381,260	31,099	412,359
2031	96,545	12,037	108,582
2032	100,307	8,175	108,482
2033	104,068	4,163	108,231
	$ 3,176,609	$ 879,103	$ 4,055,712

As of September 30, 2021, the District has contracted to purchase capacity rights from the SJRA to service 7,494 single family residential equivalent connections in the Water Supply System and 9,264 single family residential equivalent connections in the Waste Disposal System. The Sixth and Final Accounting prepared in 2017 indicated that the District's final contribution total was $28,235,262 for these rights.

NOTE 11 – CONTRACT WITH SAN JACINTO RIVER AUTHORITY

The District has contracted with the SJRA to provide its customers with water and sewer utility services through planning, construction, operation and maintenance of central water supply and waste disposal facilities. The initial contract was entered into on September 27, 1983, and continues in full force and effect unless terminated by mutual agreement of the District and the SJRA. Thereafter, the District retains a proportionate and equitable ownership interest in such central facilities. Under the terms of the agreement, the District pays its proportionate share of capital and operating costs for reserved capacity in the water supply and waste disposal facilities. Capital payments have come from the proceeds of bonds issued by the District and are included as capital assets. Operating costs are recorded as current expenditures in the District's General Fund. During the year ended September 30, 2021, the District paid $4,322,312 for its share of operating costs (purchased water and sewer service). Pursuant to the agreement and a resolution approved by the SJRA on August 28, 2014, the SJRA maintains reserve funds for operation of the water supply and waste disposal facilities to cover cash flow needs year round in an amount ranging between two and three months of total operating costs, excluding costs related to the payment of groundwater reduction plan fees. This operating reserve changes during the year based on available funds and changes in operating conditions. No amounts have been recorded on the District's financial statements to reflect the District's share of this reserve. The SJRA also maintains reserve funds in accordance with the agreement and resolution for the planned repair and replacement of water supply and waste disposal facilities having a significant replacement value and a relatively long useful life (generally in excess of ten years). The amount of such reserve varies from year to year based upon a five year capital improvement and construction plan developed, maintained and annually updated by the SJRA. No amounts have been recorded on the District's financial statements to reflect the District's share of this reserve.

Pursuant to the agreement and the resolution, the SJRA also maintains an emergency reserve for purpose of providing funding for unexpected catastrophic events. The emergency reserve is funded periodically by the District and other participating districts from available sources. The amount of such reserve varies from year to year pursuant to the resolution. No amounts have been recorded on the District's financial statements to reflect the District's share of this reserve.

The relationship between the SJRA and its customer districts is purely contractual. The SJRA is a separate functioning governmental entity whose management and Board of Directors are not subject to the control of the customer districts. The District, together with other area municipal utility districts with similar contracts with the SJRA (collectively the "Customer Districts"), contracts directly with the SJRA for required facilities and does not have a contract with other Customer Districts. The SJRA is not a participating facility user.

The SJRA serves as the sponsor and common provider to each of its Customer Districts of facilities and related services and has full legal title and ownership to facilities, subject only to the contractual rights of the Customer Districts to receive services.

The SJRA invests its own capital funds in the construction and acquisition of the required facilities. Each Customer District makes a payment to the SJRA to defray the costs of construction of capital facilities proportionate to the contractual rights of use (or capacity rights) of such customer pursuant to its contract with the SJRA. Thus, each Customer District has invested from its bond proceeds capital funds in the acquisition of such contract rights; however, no Customer District owns nor has legal title to all or any portion of the physical facilities providing such services.

Under these circumstances, the District's relationship with the SJRA is not considered to constitute either a shared facilities agreement or a joint venture arrangement. Disclosure has been made that a substantial portion of water and sewer facility costs in the District's general fixed assets consist of the District's investment in the acquisition of contractual rights of use, rather than ownership of facilities.

NOTES TO FINANCIAL STATEMENTS

NOTE 12 – RISK MANAGEMENT

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

NOTE 13 – ANNEXATION DEFERRAL AGREEMENT

The District and the adjacent Woodlands Municipal Utility Districts (the "Woodlands Districts") are located entirely within The Woodlands Township, a political subdivision of the State of Texas which overlaps substantially all of The Woodlands. The Township has recently concluded agreements with the City of Houston and the City of Conroe pursuant to which the area of the Township, including the Woodlands Districts, may not be annexed for fifty (50) years, and the area of the Township may, on or after May 29, 2014, and on request by the Township, be excluded from the extraterritorial jurisdiction of either or both cities, and may thereafter be incorporated as a municipality or may adopt a new form of local government. In the event of incorporation of the Township, the new incorporated municipality may dissolve the Woodlands Districts and assume the assets, obligations and liabilities of the Woodlands Districts.

NOTE 14 – UNCERTAINTIES

In March 2020, The World Health Organization has declared a pandemic following the outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus (the "Pandemic"), which is currently affecting many parts of the world, including the United States and Texas. Federal, state and local governments have all taken actions to respond to the Pandemic, including disaster declarations by both the President of the United States, and the Governor of Texas. Such actions are focused on limiting instances where the public can congregate or interact with each other which affects economic growth within Texas. Since the disaster declarations were made, the Pandemic has negatively affected travel, commerce, and financial markets locally and globally, and is widely expected to continue negatively affecting economic growth and financial markets within Texas. While the potential impact of COVID-19 on the District cannot be quantified at this time, the continued outbreak of COVID-19 could have an adverse effect on the District's financial condition.

NOTE 15 – RESTATEMENT

Beginning Net Position has been restated by $104,068 to adjust the District's portion of the revenue bond obligations of the San Jacinto River Authority. Previously the District's portion of the October 1, 2033 payment had not been included in the District's long-term debt balance.

REQUIRED SUPPLEMENTARY INFORMATION

The Woodlands Metro Center Municipal Utility District

Exhibit C(1)

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND

Year Ended September 30, 2021

	Budgeted Amounts			Variance
	Original	Final	Actual	Over (Under)
Revenues				
Water service	$ 3,475,223	$ 3,475,223	$ 3,112,561	$ (362,662)
Sewer service	1,785,779	1,785,779	1,633,715	(152,064)
Property taxes	817,991	817,991	814,549	(3,442)
Tap connection fees	4,300	4,300	5,000	700
Interest on investments	28,335	28,335	5,448	(22,887)
Other	108,737	108,737	4,466	(104,271)
Total Revenues	6,220,365	6,220,365	5,575,739	(644,626)
Expenditures				
Current:				
Purchased water and sewer	4,821,143	4,821,143	4,322,312	(498,831)
Purchased services	393,990	393,990	356,859	(37,131)
Professional fees	37,500	37,500	20,527	(16,973)
Other	77,647	77,647	71,619	(6,028)
Capital Outlay	647,057	647,057	25,738	(621,319)
Debt Service	415,656	415,656	415,656	
Total Expenditures	6,392,993	6,392,993	5,212,711	(1,180,282)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(172,628)	(172,628)	363,028	535,656
Other Financing Sources (Uses)				
Transfer in			16,913	16,913
Equity in net income (loss) of JV			(2,245)	(2,245)
Total Other Fin. Sources (Uses)			14,668	14,668
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under Expenditures and Other Financing (Uses)	(172,628)	(172,628)	377,696	550,324
Fund Balances - Beginning	5,491,334	5,491,334	5,491,334	
Fund Balances - Ending	$ 5,318,706	$ 5,318,706	$ 5,869,030	$ 550,324

ADDITIONAL INFORMATION

The Woodlands Metro Center Municipal Utility District

SCHEDULE OF SERVICES AND RATES

Year Ended September 30, 2021

1. Services provided by the District:

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

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

___ Other (specify): ____________

2. Retail rates based on 5/8" meter Retail rates not applicable

The most prevalent type of meter (if not a 5/8"): 2"

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons Over Minimum	Usage Levels
Water	$ 8.15			$ 2.85	100% Base Use
				$ 3.60	100 to 150% Base
				$ 4.00	Over 150% Base
Waste	$11.25		N	$ 4.65	Per 1,000

Surcharge $ 2.88 Per 1,000 Groundwater Reduction Plan Fee

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

Total water and sewer charges per 10,000 gallons usage (including surcharges) $124.68

3. Retail Service Providers: Number of retail water and/or wastewater* connections within the District as of the fiscal year end. Provide actual numbers and single family equivalents (ESFC) as noted:

	Active Connections	Active ESFC	Inactive Connections**
Single Family			
Multi-Family	1	396	
Commercial	301	2,229	
Other - recreational centers, government & VFD	260	1,918	
TOTAL	562	4,543	

* Number of connections relates to water service, if provided. Otherwise, the number of wastewater connections should be provided.

** "Inactive" means that water and wastewater connections were made, but service is not being provided.

4. Total Water Consumption (In Thousands) During the Fiscal Year:

Gallons pumped into system:	N/A
Gallons billed to customers:	525,167
Percent of gallons billed to pumped	N/A

5. **Standby Fees**: Does the District assess standby fees? Yes ___ No _X_

For the most recent full fiscal year:

Debt Service:	Total levy	$
	Total collected	$
	Percentage collected	%
Operation & Maintenance	Total levy	$
	Total collected	$
	Percentage collected	%

Have standby fees been levied in accordance with Water Code Section 49.231, thereby constituting a lien on property? Yes ___ No ___

6. **Location of District:**

County in which District is located. Montgomery

Is the District located entirely within one county? Yes _X_ No ___

Is the District located within a city? Entirely ___ Partly ___ Not at all _X_

City in which District is located. ____________

Is the District located within a city's extra territorial jurisdiction (ETJ)?
Entirely _X_ Partly ___ Not at all ___

ETJ's in which District is located. Houston

Is the general membership of the Board appointed by an office outside the District?
Yes ___ No _X_

If yes, by whom? ____________

The Woodlands Metro Center Municipal Utility District

TSI-2

SCHEDULE OF GENERAL FUND EXPENDITURES

Years Ended September 30, 2021 and 2020

	2021	2020
Current		
Purchased Water and Sewer Services from SJRA	$ 4,322,312	$ 4,113,777
Purchased Services from Joint Venture	356,859	325,528
Professional Fees:		
Auditing	5,500	5,500
Legal	15,027	22,860
	20,527	28,360
Other Current Expenditures:		
Directors' fees	9,900	10,200
Regulatory assessment	21,329	24,336
Insurance	3,392	3,229
Miscellaneous	36,998	5,269
	71,619	43,034
Capital Outlay		
From other	20,538	71,417
From joint venture	5,200	17,825
	25,738	89,242
Debt Service:		
Principal	257,354	338,590
Interest and fiscal charges	158,302	169,595
	415,656	508,185
Total Expenditures	$ 5,212,711	$ 5,108,126

Number of employees employed by the District:	-0-	Full-time
	-0-	Part-time

The Woodlands Metro Center Municipal Utility District

TSI-3

SCHEDULE OF CASH AND TEMPORARY INVESTMENTS

Year Ended September 30, 2021

Funds	Interest Rate (%)	Maturity Date	Balances at September 30, 2021	Accrued Interest
General Fund				
Checking	N/A	N/A	$ 21,356	$
Texpool	Variable	N/A	570,586	
Texstar	Variable	N/A	8,239	
Texas CLASS	Variable	N/A	5,168,615	
Total General Fund			5,768,796	
Debt Service Fund				
Checking	N/A	N/A	4,529	
Texpool	Variable	N/A	31,807	
Texstar	Variable	N/A	4,659	
Texas CLASS	Variable	N/A	243,672	
Total Debt Service Fund			284,667	
Capital Projects Fund				
Checking	N/A	N/A	$ 8,126	$
Texpool	Variable	N/A	78,518	
Total Capital Projects Fund			86,644	
Total - All Funds			$ 6,140,107	$ -0-

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The Woodlands Metro Center Municipal Utility District

TSI-4

ANALYSIS OF TAXES LEVIED AND RECEIVABLE

Year Ended September 30, 2021

	General Fund	Debt Service Fund	Total
Taxes Receivable - October 01, 2020	$ 6,570	$ 20,288	$ 26,858
2020 Original Tax Roll	816,712	1,633,424	2,450,136
Additions and corrections	(695)	(2,672)	(3,367)
Adjusted tax roll	816,017	1,630,752	2,446,769
Total to be Accounted for	822,587	1,651,040	2,473,627
Tax Collections			
Current year	813,798	1,627,597	2,441,395
Prior years	751	2,361	3,112
Total Collections	814,549	1,629,958	2,444,507
Taxes Receivable - September 30, 2021	$ 8,038	$ 21,082	$ 29,120
Taxes Receivable - By Year			
2020	$ 2,914	$ 5,827	$ 8,741
2019	886	3,100	3,986
2018	471	1,649	2,120
2017	630	1,024	1,654
2016 and prior	3,137	9,482	12,619
Taxes Receivable - September 30, 2021	$ 8,038	$ 21,082	$ 29,120

Assessed Property Valuations	2020	2019	2018	2017	2016
Land, improvements and personal property	$ 2,722,373,311	$ 2,723,500,133	$ 2,676,137,400	$ 2,560,499,714	$ 2,431,509,056
	$ 2,722,373,311	$ 2,723,500,133	$ 2,676,137,400	$ 2,560,499,714	$ 2,431,509,056
Tax Rates Per $100 Valuations					
Debt service	$ 0.060	$ 0.070	$ 0.070	$ 0.065	$ 0.070
General operations	0.030	0.020	0.020	0.040	0.055
Total Tax Rate per $100 Valuation	$ 0.090	$ 0.090	$ 0.090	$ 0.105	$ 0.125
Adjusted Tax Levy	$ 2,450,136	$ 2,451,150	$ 2,408,524	$ 2,688,525	$ 3,039,386

Year Ended September 30, 2021	**All Taxes**
Percent of current taxes collected to current taxes levied (as adjusted)	99.6%
Percent of current and delinquent taxes collected to current levied (as adjusted) and delinquent taxes outstanding at the beginning of the year (as adjusted)	98.8%

The Woodlands Metro Center Municipal Utility District

TSI-5

LONG-TERM DEBT SERVICE REQUIREMENTS BY YEARS

September 30, 2021

Due During Fiscal Year End September 30	All Series Principal	All Series Interest	All Series Total	2010 Refunding Principal	2010 Refunding Interest	2010 Refunding Total
2022	$ 1,630,000	$ 307,022	$ 1,937,022	$ 635,000	$ 73,700	$ 708,700
2023	720,000	273,276	993,276	275,000	55,500	330,500
2024	750,000	250,027	1,000,027	290,000	44,200	334,200
2025	785,000	224,703	1,009,703	305,000	32,300	337,300
2026	820,000	197,410	1,017,410	320,000	19,800	339,800
2027	850,000	168,287	1,018,287	335,000	6,700	341,700
2028	535,000	144,300	679,300			
2029	555,000	125,644	680,644			
2030	575,000	105,378	680,378			
2031	595,000	83,943	678,943			
2032	620,000	61,456	681,456			
2033	640,000	37,731	677,731			
2034	665,000	12,739	677,739			
Total	$ 9,740,000	$ 1,991,916	$ 11,731,916	$ 2,160,000	$ 232,200	$ 2,392,200

Due During Fiscal Year End September 30	2013 Principal	2013 Interest	2013 Total	2014R Principal	2014R Interest	2014R Total
2022	$ 155,000	$ 97,285	$ 252,285	$ 565,000	$ 4,802	$ 569,802
2023	165,000	93,272	258,272			
2024	170,000	88,666	258,666			
2025	180,000	83,584	263,584			
2026	190,000	77,941	267,941			
2027	200,000	71,293	271,293			
2028	210,000	63,606	273,606			
2029	220,000	55,269	275,269			
2030	230,000	46,269	276,269			
2031	240,000	36,868	276,868			
2032	250,000	27,068	277,068			
2033	260,000	16,706	276,706			
2034	275,000	5,672	280,672			
Total	$ 2,745,000	$ 763,499	$ 3,508,499	$ 565,000	$ 4,802	$ 569,802

Due During Fiscal Year End September 30	2018 Principal	2018 Interest	2018 Total
2022	$ 275,000	$ 131,235	$ 406,235
2023	280,000	124,504	404,504
2024	290,000	117,161	407,161
2025	300,000	108,819	408,819
2026	310,000	99,669	409,669
2027	315,000	90,294	405,294
2028	325,000	80,694	405,694
2029	335,000	70,375	405,375
2030	345,000	59,109	404,109
2031	355,000	47,075	402,075
2032	370,000	34,388	404,388
2033	380,000	21,025	401,025
2034	390,000	7,067	397,067
Total	$ 4,270,000	$ 991,415	$ 5,261,415

The Woodlands Metro Center Municipal Utility District

TSI-6

ANALYSIS OF CHANGES IN LONG-TERM DEBT

September 30, 2021

	Issue				
	2010R	**2013**	**2014R**	**2018**	**Total**
Interest rate	2.00-4.00%	2.00-4.12%	1.70%	2.1-3.625%	
Dates interest payable	4/1;10/1	4/1;10/1	4/1;10/1	4/1;10/1	
Maturity dates	10/1/11- 10/1/26	10/1/14- 10/1/33	10/1/15- 10/1/21	10/1/19- 10/1/33	
Bonds payable at beginning of year	$ 2,765,000	$ 2,895,000	$ 1,120,000	$ 4,535,000	$ 11,315,000
Bonds sold					
Bonds refunded					
Principal retirements	(605,000)	(150,000)	(555,000)	(265,000)	(1,575,000)
Bonds Payable at End of Year	$ 2,160,000	$ 2,745,000	$ 565,000	$ 4,270,000	$ 9,740,000
Interest Retirements	$ 98,500	$ 100,528	$ 14,323	$ 137,448	$ 350,799

<u>Paying Agent/Registrar</u>

All Series

Bond Authority	**Tax Bonds**
Amount authorized by voters	$ 50,100,000
Amount issued	41,160,000
Remaining	8,940,000
Debt Service Fund Cash and Temporary Investment Balances at End of Year	$ 284,667
Average Annual Debt Service Payment for Remaining Term of all Debt	$ 902,455

The Woodlands Metro Center Municipal Utility District

COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - GENERAL AND DEBT SERVICE FUNDS

Last Five Fiscal Years

	Amounts				
	2021	2020	2019	2018	2017
General Fund Revenues					
Water and sewer service	$ 4,746,276	$ 4,598,755	$ 5,122,942	$ 5,466,338	$ 5,286,824
Property taxes	814,549	538,795	565,040	1,009,214	1,330,447
Tap connections & culverts	5,000	16,975	5,400	32,450	22,875
Interest and other	9,914	64,898	122,638	69,228	25,727
Total Revenues	5,575,739	5,219,423	5,816,020	6,577,230	6,665,873
General Fund Expenditures					
Current	4,771,317	4,547,254	4,901,726	5,063,639	4,819,336
Capital outlay	25,738	89,242	7,900	28,050	19,450
Debt service	415,656	508,185	510,672	510,482	511,763
Total Expenditures	5,212,711	5,144,681	5,420,298	5,602,171	5,350,549
Revenues Over (Under) Expenditures	$ 363,028	$ 74,742	$ 395,722	$ 975,059	$ 1,315,324

	2021	2020	2019	2018	2017
Debt Service Fund Revenues					
Property taxes	$ 1,629,958	$ 1,888,460	$ 1,921,922	$ 1,641,750	$ 1,688,969
Penalty and interest	8,923	3,804	56,560	12,155	8,796
Interest	1,408	21,027	47,409	26,431	10,768
Total Revenues	1,640,289	1,913,291	2,025,891	1,680,336	1,708,533
Debt Service Fund Expenditures					
Tax collection	47,748	44,467	46,339	45,919	50,177
Debt service	1,927,799	1,889,163	1,550,846	1,479,343	2,420,968
Total Expenditures	1,975,547	1,933,630	1,597,185	1,525,262	2,471,145
Revenues Over (Under) Expenditures	$ (335,258)	$ (20,339)	$ 428,706	$ 155,074	$ (762,612)

Percent of Total Fund Revenues				
2021	2020	2019	2018	2017
85.1 %	88.1 %	88.1 %	83.1 %	79.3 %
14.6	10.3	9.7	15.3	20.0
0.1	0.3	0.1	0.5	0.3
0.2	1.3	2.1	1.1	0.4
100.0	100.0	100.0	100.0	100.0
85.6	87.1	84.3	77.0	72.3
0.5	1.7	0.1	0.4	0.3
7.5	9.7	8.8	7.8	7.7
93.6	98.5	93.2	85.2	80.3
6.4 %	1.5 %	6.8 %	14.8 %	19.7 %
99.4 %	98.7 %	94.9 %	97.7 %	98.9 %
0.5	0.2	2.8	0.7	0.5
0.1	1.1	2.4	1.6	0.6
100.0	100.0	100.0	100.0	100.0
2.9	2.3	2.3	2.7	2.9
117.5	98.7	76.6	88.0	141.7
120.4	101.0	78.9	90.7	144.6
(20.4) %	(1.0) %	21.1 %	9.3 %	(44.6) %

The Woodlands Metro Center Municipal Utility District

BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS

September 30, 2021

District's Mailing Address: 2455 Lake Robbins Drive
P.O. Box 7580
The Woodlands, Texas 77380

District's Business Telephone Number: (281) 367-1271

Name	Term	Fees	Expenses	Title	Resident of District?
Board Members					
Carl W. Kennedy	5/18- 5/22	$ 1,350	$	President	No
Ronald F. Wilson	5/18- 5/22	3,900		Vice- President WWA Trustee	No
Gary Reed	5/20- 5/24	1,500		Secretary/ Treasurer	No
John Cozart	5/20- 5/24	1,650		Assistant Secretary/ Treasurer	No
Harry Allcott	5/20- 5/24	1,500		Assistant Secretary/ Treasurer	No

Note: No director is disqualified from serving on this board under the Texas Water Code.

Name and Address	Date Hired	Salaries and Fees	Title	Resident of District?
Key Administrative Personnel				
Jim Stinson 42 Gallant Oak Place The Woodlands, Texas 77381	7/94	$ 236,875 *	General Manager Woodlands WA	No
Consultants				
Schwartz, Page & Harding, L.L.P. 1300 Post Oak Boulevard, Suite 2400 Houston, Texas 77056	3/1/88	15,027	Attorney	No
Montgomery County Appraisal District 109 Gladstell Conroe, Texas 77301	10/1/84	20,472	Central Appraisal District	No
Knox Cox & Co., LLP 8410 Highway 90A, Suite 150 Sugar Land, Texas 77478	10/1/02	5,500	Independent Auditor	No
RW Baird 4400 Post Oak Parkway, Suite 2790 Houston, Texas 77027	2015	0	Financial Advisor	No

* Represents the General Manager's salary paid by the WWA.

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