OFFICIAL STATEMENT DATED JULY 6, 2022

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

THE BONDS HAVE BEEN DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS. SEE "TAX MATTERS—QUALIFIED TAX-EXEMPT OBLIGATIONS."

NEW ISSUE-Book-Entry Only

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

$3,000,000

WOODRIDGE MUNICIPAL UTILITY DISTRICT

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

UNLIMITED TAX BONDS
SERIES 2022

The bonds described above (the "Bonds") are obligations solely of Woodridge Municipal Utility District of Montgomery County, Texas (the "District") and are not obligations of the State of Texas, Montgomery County, the City of Houston, or any entity other than the District.

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

Dated Date: August 1, 2022
Interest Accrual Date: Date of Delivery
Due: September 1, as shown below

Principal of the Bonds is payable at maturity or earlier redemption at the principal payment office of the paying agent/registrar, initially The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the "Paying Agent/Registrar") upon surrender of the Bonds for payment. Interest on the Bonds accrues from the date of initial delivery (expected August 9, 2022) (the "Date of Delivery"), and is payable each March 1 and September 1, commencing March 1, 2023, until maturity or prior redemption. The Bonds will be issued only in fully registered form in denominations of $5,000 each or integral multiples thereof. The Bonds are subject to redemption prior to their maturity, as shown below.

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

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

MATURITY SCHEDULE

Due (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (c)	CUSIP Number (b)	Due (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (c)	CUSIP Number (b)
2023	$ 100,000	3.00 %	2.00 %	97989W FA3	2027	$ 115,000	4.00 %	2.80 %	97989W FE5
2024	100,000	4.00	2.20	97989W FB1	2028	115,000	4.00	3.00	97989W FF2
2025	100,000	3.00	2.40	97989W FC9	2029	135,000 (a)	4.00	3.10	97989W FG0
2026	100,000	3.00	2.60	97989W FD7					

$270,000 Term Bonds due September 1, 2031 (a), 97989W FJ4 (b), 4.00% Interest Rate, 3.40% Yield (c)
$270,000 Term Bonds due September 1, 2033 (a), 97989W FL9 (b), 4.00% Interest Rate, 3.60% Yield (c)
$265,000 Term Bonds due September 1, 2035 (a), 97989W FN5 (b), 4.00% Interest Rate, 3.80% Yield (c)
$260,000 Term Bonds due September 1, 2037 (a), 97989W FQ8 (b), 4.00% Interest Rate, 3.90% Yield (c)
$260,000 Term Bonds due September 1, 2039 (a), 97989W FS4 (b), 4.00% Interest Rate, 4.00% Yield (c)
$390,000 Term Bonds due September 1, 2042 (a), 97989W FV7 (b), 4.00% Interest Rate, 4.10% Yield (c)
$520,000 Term Bonds due September 1, 2046 (a), 97989W FZ8 (b), 4.00% Interest Rate, 4.15% Yield (c)

(a) Bonds maturing on or after September 1, 2029, are subject to redemption at the option of the District prior to their maturity dates in whole, or from time to time in part, on September 1, 2028, or on any date thereafter at a price of par value plus unpaid accrued interest from the most recent Interest Payment Date (as herein defined) to the date fixed for redemption. The Term Bonds (as defined herein) are also subject to mandatory sinking fund redemption as more fully described herein. See "THE BONDS—Redemption Provisions."

(b) CUSIP Numbers have been assigned to the Bonds by CUSIP Global Services, managed by FactSet Research Systems, Inc. on behalf of the American Bankers Association and are included solely for the convenience of the purchasers of the Bonds. Neither the District nor the Underwriter shall be responsible for the selection or correctness of the CUSIP Numbers set forth herein.

(c) Initial yield represents the initial offering yield to the public, which has been established by the Underwriter for offers to the public and which subsequently may be changed.

The Bonds are offered by the Underwriter subject to prior sale, when, as and if issued by the District and accepted by the Underwriter, subject, among other things, to the approval of the Bonds by the Attorney General of Texas and the approval of certain legal matters by Allen Boone Humphries Robinson LLP, Houston, Texas, Bond Counsel. Certain legal matters will be passed upon for the District by Bracewell LLP, Houston, Texas, as Disclosure Counsel. See "LEGAL MATTERS." Delivery of the Bonds in book-entry form through the facilities of DTC is expected on or about August 9, 2022.

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USE OF INFORMATION IN OFFICIAL STATEMENT

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

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

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

References to website 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 websites and the information or links contained therein are not incorporated into, and are not part of, this OFFICIAL STATEMENT for any purpose.

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

Build America Mutual Assurance Company ("BAM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this OFFICIAL STATEMENT or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "MUNICIPAL BOND INSURANCE" and "APPENDIX B—Specimen Municipal Bond Insurance Policy."

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SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the Bonds, the District accepted the bid resulting in the lowest net effective interest rate, which bid was tendered by SAMCO Capital Markets, Inc. (the "Underwriter") bearing the interest rates shown on the cover page hereof, at a price of 98.0006% of the par value thereof, which resulted in a net effective interest rate of 4.132804%, as calculated pursuant to Chapter 1204 of the Texas Government Code, as amended (the IBA method).

Prices and Marketability

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

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

Securities Laws

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

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OFFICIAL STATEMENT SUMMARY

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

INFECTIOUS DISEASE OUTLOOK (COVID-19)

General... In March 2020, the World Health Organization and the President of the United States separately declared the outbreak of a respiratory disease caused by a novel coronavirus ("COVID-19") to be a public health emergency. On March 13, 2020, the Governor of Texas (the "Governor") declared a state of disaster for all counties in the State of Texas (the "State") because of the effects of COVID-19. Subsequently, in response to a rise in COVID-19 infections in the State and pursuant to 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.

There are currently no COVID-19 related operating limits imposed by the Governor for any business or other establishment in the State of Texas. 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.

The District has not experienced any decrease in property values, unusual tax delinquencies, or interruptions to service as a result of COVID-19; however the District cannot predict the long-term economic effect of COVID-19 or a similar virus should there be a reversal of economic activity and re-imposition of restrictions. See "INVESTMENT CONSIDERATIONS—Infectious Disease Outlook (COVID-19)."

THE DISTRICT

Description... The District is a political subdivision of the State, created by order of the Texas Commission on Environmental Quality ("TCEQ"), on February 22, 2007, and operates pursuant to Chapters 49 and 54 of the Texas Water Code, as amended, and Article XVI, Section 59 of the Texas Constitution. The District consists of approximately 612 acres of land. See "THE DISTRICT."

Location... The District is located in Montgomery County approximately 26 miles northeast of the City of Houston's central business district. Access to the District is provided via U.S Highway 59 and east along Northpark Drive. The District is bordered on the north by Porter Municipal Utility District, the City of Houston, Texas (Kingwood area) to the south and southwest, Loop 494 to the west and Ford Road to the east. The District lies entirely within the extraterritorial jurisdiction of the City of Houston, Texas (the "City") and within the boundaries of New Caney Independent School District. See "THE DISTRICT—Description and Location" and "AERIAL PHOTOGRAPH."

Status of Development...

A portion of the District is being developed as Woodridge Forest, a primarily single family residential community consisting of 683 single-family residential lots on approximately 158 acres. Construction of water, sanitary sewer and storm drainage facilities to serve Woodridge Forest, Sections One through Fifteen, and Sections Seventeen through Twenty, as well as street paving, has been completed. See "THE DISTRICT—Land Use." As of April 13, 2022, 643 homes were completed, of which 642 were occupied, 9 new homes were under construction or in the name of the builders, and 31 developed lots were available for home construction in the District. In addition, 31 single-family residential lots on approximately 8 acres in Woodridge Forest, Section Sixteen are currently under construction, with completion expected in the fourth quarter of 2022, and a single-family residential rental community, Preserve at Woodridge, is under construction on approximately 17 acres, 6 of which are in the District, with completion expected by the end of 2022. Homes are currently being built in the Woodridge Forest subdivision by Westin Homes, pursuant to lot sales contracts with WR Forest (hereinafter defined) and by Century (hereinafter defined). According to the District's 2021 tax rolls, the average homestead value in the District is approximately $295,039.

The Developer and Other Landowners ...

The developer of Woodridge Forest Sections One through Thirteen, Section Fifteen, Section Seventeen and Sections Nineteen through Twenty is WR Forest, LLC, a Texas limited liability company ("WR Forest" or the "Developer"), whose sole general partner is Cathexis Capital, LLC, a Texas limited liability company. WR Forest was formed for the sole purpose of owning and developing approximately 344 acres of land in the District consisting of the Woodridge Forest single-family residential subdivision. During the development of this subdivision, WR Forest engaged Cernus Development, LLC, a Houston-based real estate development firm, as the development manager to handle the day-to-day development, construction, and lot sales for the land owned by WR Forest. As described in "THE DISTRICT—Status of Development," WR Forest has completed construction of Woodridge Forest, Sections One through Thirteen, Section Fifteen, Section Seventeen and Sections Nineteen through Twenty, which consists of 652 single-family residential lots on approximately 153 acres. WR Forest does not own any remaining developable land within the District and Cernus Development, LLC, is no longer engaged as development manager.

The developer of Woodridge Forest Sections Fourteen and Eighteen is Century Land Holdings of Texas, LLC ("Century"), a special purpose entity created solely for the purpose of developing land in projects located in Texas. Century is a Texas limited liability company owned by Century Communities, Inc. Century Communities Inc. is a publicly traded corporation, based out of Colorado, whose stock is traded on the New York Stock Exchange under the trading symbol CCS. As described in "THE DISTRICT—Status of Development," Century has completed construction of Woodridge Forest Sections Fourteen and Eighteen, which consists of 31 single-family residential lots on approximately 5 acres. Century continues to own approximately 8 acres of land within the District where construction is underway for the development of 31 single-family residential lots with an expected completion in the fourth quarter of 2022. Century does not have an agreement with the District for reimbursement of any development costs.

The developer of Preserve at Woodridge is Preserve at Woodridge, LLC, a Delaware Limited Liability Company ("Preserve at Woodridge, LLC"), a special purpose entity created by Guefen Development Partners. Preserve at Woodridge, LLC was formed for the sole purpose of developing approximately 17 acres of land, of which approximately 6 acres are within the boundaries of the District. Preserve at Woodridge is being constructed as a single family build to rent multi-family community which will consist of 131 detached single family homes. As a portion of the land is outside the District, the District and Preserve at Woodridge, LLC have entered into a utility service agreement whereby the District agreed to provide water and sewer service for 133 equivalent single-family connections ("ESFCs"). Pursuant to the utility service agreement, Preserve at Woodridge, LLC will pay to the District an amount equivalent to the amount that the District would have collected in annual tax revenue from the portion of the land located outside the District if that portion were located within the District. The payment will be paid monthly in equal installments and included in the monthly water and sewer bill. Preserve at Woodridge, LLC does not have an agreement with the District for reimbursement of any development costs. See "THE DEVELOPER AND OTHER LANDOWNERS."

Homebuilding... WR Forest has entered into lot sales contracts with Westin Homes for certain lots in Woodridge Forest developed by WR Forest. Pursuant to such lot sales contracts, Westin Homes is required to make an earnest money deposit and to take down single-family lots at a pace of six to ten lots per quarter. According to WR Forest, Westin Homes is in substantial compliance with all of the terms of its lot sales contracts. Westin Homes contracts directly with WR Forest. Century is building homes in Woodridge Forest, Sections Fourteen and Eighteen. Westin Homes and Century have no obligations to or agreements with the District to construct any homes or other improvements in the District. See "THE DEVELOPER AND OTHER LANDOWNERS—Homebuilding."

Water and Wastewater… Wholesale treated water supply is provided to the District by Porter Special Utility District ("Porter SUD") pursuant to a wholesale water services agreement between the District and Porter SUD. Wastewater treatment capacity for the District is provided by Porter Municipal Utility District ("Porter MUD") pursuant to a Wastewater Treatment Capacity Agreement between Porter MUD and the District. The District is responsible for designing, constructing, operating and maintaining all internal facilities necessary for the distribution of water supplies received from Porter SUD to its customers and for the collection of wastewater from its customers and delivery of such wastewater to Porter MUD. See "THE SYSTEM."

Payment Record... The District has previously sold $21,445,000 principal amount of unlimited tax bonds in five series, of which $19,685,000 principal amount is currently outstanding (the "Outstanding Bonds") as of the date hereof. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Outstanding Debt." The District has never defaulted in the payment of principal and interest on the Outstanding Bonds.

THE BONDS

Description... $3,000,000 Unlimited Tax Bonds, Series 2022 (the "Bonds") are being issued pursuant to a resolution authorizing the issuance of the Bonds (the "Bond Resolution") adopted by the District's Board of Directors (the "Board") as fully registered bonds. The Bonds are scheduled to mature as serial bonds on September 1 in each of the years 2023 through 2029, both inclusive, and as term bonds on September 1 in each of the years 2031, 2033, 2035, 2037, 2039, 2042 and 2046 (the "Term Bonds"). The Bonds will be issued in denominations of $5,000 or integral multiples of $5,000. Interest on the Bonds accrues from the Date of Delivery, and is payable March 1, 2023, and each September 1 and March 1 thereafter, until the earlier of maturity or redemption. See "THE BONDS."

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

Redemption... Bonds maturing on or after September 1, 2029 are subject to redemption in whole, or from time to time in part, at the option of the District prior to their maturity dates on September 1, 2028, or on any date thereafter at a price of par value plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. The Term Bonds are also subject to mandatory sinking fund redemption as more fully described herein. See "THE BONDS—Redemption Provisions."

Use of Proceeds... Proceeds of the Bonds will be used to pay for the construction costs and fees shown herein under "USE AND DISTRIBUTION OF BOND PROCEEDS." In addition, Bond proceeds will be used to capitalize $112,500 of interest on the Bonds; which is the maximum amount approved by the TCEQ; to pay interest on funds advanced by WR Forest on behalf of the District; and to pay engineering fees and other costs related to the issuance of the Bonds.

Authority for Issuance...	The Bonds are the sixth series of bonds issued out of an aggregate of $122,000,000 principal amount of unlimited tax bonds authorized by the District's voters for the purpose of purchasing and constructing a water, sanitary sewer and/or storm drainage system and for further purpose of refunding such bonds. The Bonds are issued by the District pursuant to an order of the TCEQ, the terms and conditions of the Bond Resolution, a bond election held in the District on November 6, 2007 (the "Election"), Article XVI, Section 59 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, as amended, and general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas. See "THE BONDS—Authority for Issuance" and "—Issuance of Additional Debt" and "INVESTMENT CONSIDERATIONS—Future Debt."
Source of Payment...	Principal of and interest on the Bonds are payable from the proceeds of a continuing direct annual ad valorem tax levied, without legal limitation as to rate or amount, against taxable property within the District. The Bonds are obligations of the District and are not obligations of the City, Montgomery County, the State of Texas or any entity other than the District. See "THE BONDS—Source of Payment."
Municipal Bond Rating and Municipal Bond Insurance...	S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, ("S&P") has assigned a municipal bond rating of "AA" (stable outlook) to the Bonds with the understanding that, upon delivery of the Bonds, a municipal bond insurance policy ensuring the timely payment of the principal of and interest on the Bonds will be issued by Build America Mutual Assurance Company ("BAM"). Moody's Investors Service, Inc. ("Moody's") has assigned an underlying rating of "Baa3" to the bonds. An explanation of the ratings may be obtained from S&P and Moody's. See "INVESTMENT CONSIDERATIONS—Risk Factors Related to the Purchase of Municipal Bond Insurance" and "MUNICIPAL BOND RATING," and "MUNICIPAL BOND INSURANCE."
Qualified Tax-Exempt Obligations...	The Bonds have been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b) of the Internal Revenue Code of 1986, as amended. See "TAX MATTERS—Qualified Tax-Exempt Obligations."
Bond Counsel...	Allen Boone Humphries Robinson LLP, Houston, Texas. See "MANAGEMENT OF THE DISTRICT," "LEGAL MATTERS" and "TAX MATTERS."
Financial Advisor...	Masterson Advisors LLC, Houston, Texas. See "MANAGEMENT OF THE DISTRICT."
Disclosure Counsel...	Bracewell LLP, Houston, Texas.
Paying Agent/Registrar...	The Bank of New York Mellon Trust Company, N.A., Dallas, Texas. See "THE BONDS—Method of Payment of Principal and Interest."

INVESTMENT CONSIDERATIONS

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

SELECTED FINANCIAL INFORMATION (UNAUDITED)

2021 Certified Taxable Assessed Valuation	$183,438,159	(a)
2022 Preliminary Taxable Assessed Valuation	$223,709,046	(b)
Gross Direct Debt Outstanding	$22,685,000	(c)
Estimated Overlapping Debt	20,556,207	(d)
Gross Direct Debt and Estimated Overlapping Debt	$43,241,207	
Ratios of Gross Direct Debt to:		
2021 Certified Taxable Assessed Valuation	12.37%	
2022 Preliminary Taxable Assessed Valuation	10.14%	
Ratios of Gross Direct Debt and Estimated Overlapping Debt to:		
2021 Certified Taxable Assessed Valuation	23.57%	
2022 Preliminary Taxable Assessed Valuation	19.33%	
Debt Service Funds Available:		
Debt Service Funds Available as of June 7, 2022	$1,571,422	
Capitalized Interest	112,500	(e)
Total Debt Service Funds Available	$1,683,922	
Operating Funds Available as of June 7, 2022	$2,869,563	
Capital Projects Funds Available as of June 7, 2022	$ 11,110	(f)
2021 Debt Service Tax Rate	$0.80	
2021 Maintenance and Operations Tax Rate	0.46	
2021 Total Tax Rate	$1.26	
Average Annual Debt Service Requirement (2023-2046)	$1,233,540	(g)
Maximum Annual Debt Service Requirement (2023)	$1,603,856	(g)
Tax Rates Required to Pay Average Annual Debt Service (2023-2046) at a 95% Collection Rate		
Based upon 2021 Certified Taxable Assessed Valuation	$0.71	(h)
Based upon 2022 Preliminary Taxable Assessed Valuation	$0.59	(h)
Tax Rates Required to Pay Maximum Annual Debt Service (2023) at a 95% Collection Rate		
Based upon 2021 Certified Taxable Assessed Valuation	$0.93	(h)
Based upon 2022 Preliminary Taxable Assessed Valuation	$0.76	(h)
Status of Development as of April 13, 2022 (i):		
Completed Homes (642 occupied)	643	
Homes Under Construction	9	
Lots Available for Home Construction	31	
Estimated Population	2,247	(j)

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

(b) Provided by the Appraisal District as a preliminary indication of the 2022 taxable value as of January 1, 2022. Such value is subject to property owner protest and Appraisal District review and downward revision prior to certification. See "TAXING PROCEDURES."

(c) Includes the Bonds and the Outstanding Bonds. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Outstanding Debt."

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

(e) The District will capitalize $112,500 of interest from Bond proceeds, which is the maximum amount approved by the TCEQ. See "USE AND DISTRIBUTION OF BOND PROCEEDS."

(f) The District will use all remaining Capital Projects Funds in connection with the Bonds. See "USE AND DISTRIBUTION OF BOND PROCEEDS."

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

(h) See "TAX DATA—Tax Adequacy for Debt Service" and "INVESTMENT CONSIDERATIONS—Possible Impact on District Tax Rates."

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

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

OFFICIAL STATEMENT

WOODRIDGE MUNICIPAL UTILITY DISTRICT

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

$3,000,000

UNLIMITED TAX BONDS
SERIES 2022

This OFFICIAL STATEMENT provides certain information in connection with the issuance by Woodridge Municipal Utility District (the "District") of its $3,000,000 Unlimited Tax Bonds, Series 2022 (the "Bonds").

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

This OFFICIAL STATEMENT includes descriptions, among others, of the Bonds and the Bond Resolution, and certain other information about the District, WR Forest, LLC, a Texas limited liability company ("WR Forest" or the "Developer"), Century Land Holdings of Texas, LLC ("Century"), and Preserve at Woodridge, LLC, a Delaware Limited Liability Company ("Preserve at Woodridge, LLC"), and development activity in the District. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each document. Copies of documents may be obtained from Allen Boone Humphries Robinson LLP, Bond Counsel, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027.

THE BONDS

Description

The Bonds will be dated August 1, 2022 and accrue interest from the Date of Delivery, with interest payable each March 1 and September 1, beginning March 1, 2023 (each an "Interest Payment Date"), and will mature on the dates and in the principal amounts and accrue interest at the rates shown on the cover page hereof. The Bonds are issued in fully registered form, in denominations of $5,000 or any integral multiple of $5,000. Interest calculations are based on a 360-day year comprised of twelve 30-day months.

Method of Payment of Principal and Interest

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

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

Source of Payment

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

The Bonds are obligations of the District and are not the obligations of the State of Texas (the "State"), Montgomery County, the City of Houston, Texas (the "City"), or any entity other than the District.

Funds

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

An amount equal to the lesser of $112,500 or twelve (12) months of capitalized interest shall be deposited into the Debt Service Fund upon receipt. The remaining proceeds of sale of the Bonds shall be deposited into the Capital Projects Fund, to be used for the purpose of reimbursing WR Forest for certain construction costs and professional fees and for paying the costs of issuance of the Bonds. Any monies remaining in the Capital Projects Fund after completion of construction of the entire water, sanitary sewer and drainage system will be used as described in the Bond Resolution or ultimately transferred to the Debt Service Fund. See "USE AND DISTRIBUTION OF BOND PROCEEDS" for a complete description of the use of Bond proceeds and the projects related thereto.

No Arbitrage

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

Redemption Provisions

Mandatory Redemption: The Bonds maturing on September 1 in each of the years 2031, 2033, 2035, 2037, 2039, 2042, and 2046 (the "Term Bonds") shall be redeemed, at a price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption (the "Mandatory Redemption Date"), on September 1 in each of the years and in the principal amounts set forth in the following schedule (with each such scheduled principal amount reduced by the principal amount as may have been previously redeemed through the exercise of the District's reserved right of optional redemption, as provided under "Optional Redemption" below):

$270,000 Term Bonds Due September 1, 2031

Mandatory Redemption Date	Principal Amount
2030	$ 135,000
2031 (maturity)	135,000

$270,000 Term Bonds Due September 1, 2033

Mandatory Redemption Date	Principal Amount
2032	$ 135,000
2033 (maturity)	135,000

$265,000 Term Bonds Due September 1, 2035

Mandatory Redemption Date	Principal Amount
2034	$ 135,000
2035 (maturity)	130,000

$260,000 Term Bonds Due September 1, 2037

Mandatory Redemption Date	Principal Amount
2036	$ 130,000
2037 (maturity)	130,000

$260,000 Term Bonds Due September 1, 2039

Mandatory Redemption Date	Principal Amount
2038	$ 130,000
2039 (maturity)	130,000

$390,000 Term Bonds Due September 1, 2042

Mandatory Redemption Date	Principal Amount
2040	$ 130,000
2041	130,000
2042 (maturity)	130,000

$520,000 Term Bonds Due September 1, 2046

Mandatory Redemption Date	Principal Amount
2043	$ 130,000
2044	130,000
2045	130,000
2046 (maturity)	130,000

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

Optional Redemption: The District reserves the right, at its option, to redeem the Bonds maturing on or after September 1, 2029, prior to their scheduled maturities, in whole or from time to time in part, in integral multiples of $5,000, on September 1, 2028, or on any date thereafter, at a price of par plus accrued interest on the principal amounts called for redemption to the date fixed for redemption. If fewer than all of the Bonds are redeemed at any time, the particular maturities of Bonds to be redeemed shall be selected by the District. If less than all the Bonds of any maturity are redeemed at any time, the particular Bonds within a maturity to be redeemed shall be selected by the Paying Agent/Registrar by lot or other customary method of selection (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form).

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

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

Authority for Issuance

At the Election, the voters of the District authorized the issuance of an aggregate of $122,000,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring a water, sanitary sewer and storm drainage system and for refunding purposes. The Bonds are being issued pursuant to such authorization. See "Issuance of Additional Debt" herein and "INVESTMENT CONSIDERATIONS—Future Debt" for information regarding the types and amounts of debt authorized by the District voters.

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

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

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

Registration and Transfer

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

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

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

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

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

Lost, Stolen or Destroyed Bonds

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

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

Replacement of Paying Agent/Registrar

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

Issuance of Additional Debt

The District's voters have authorized the issuance of $122,000,000 principal amount of unlimited tax bonds for the purpose of constructing and/or acquiring a water, sanitary sewer and storm drainage system and for refunding purposes and $9,000,000 principal amount of unlimited tax bonds for parks and recreational facilities and refunding purposes. After the issuance of the Bonds, $97,555,000 principal amount of unlimited tax bonds for a water, sanitary sewer and storm drainage system and for refunding such bonds will remain authorized but unissued, as well as all of the bonds authorized for parks and recreational facilities and for the purpose of refunding such bonds described below. The District expects to issue additional bonds in order to reimburse the Developer and other property owners within the District that have entered into developer financing agreements with the District for the cost of a water, sanitary sewer and storm drainage system and park facilities constructed within the District. See "THE DEVELOPER AND OTHER LANDOWNERS."

The District is authorized by statute to develop parks and recreational facilities, including the issuing of bonds payable from taxes for such purpose. The District has adopted a park plan and conducted a park election which resulted in voter approval of $9,000,000 principal amount of unlimited tax bonds for parks and recreational facilities and for refunding purposes, all of which remain authorized but unissued. Before the District could issue park bonds payable from taxes, the following actions would be required: (a) approval of park bonds by the Commission; and (b) approval of the bonds by the Attorney General of Texas. If the District does issue park bonds, the outstanding principal amount of such bonds may not exceed an amount equal to one percent (1%) of the District's certified taxable assessed valuation, unless, effective June 14, 2021, the District meets certain financial feasibility requirements under the TCEQ rules, in which case the outstanding principal amount of such bonds issued by the District may exceed an amount equal to one percent (1%) but not three percent (3%) of the value of the taxable property in the District.

Pursuant to Chapter 54 of the Water Code, a municipal utility district may petition the TCEQ for the power to issue bonds supported by property taxes to finance roads. Before the District could issue such bonds, the District would be required to receive a grant of such power from the TCEQ, authorization from the District's voters to issue such bonds, and obtain approval of the bonds by the Attorney General of Texas. The District has not considered filing an application to the TCEQ for road powers nor calling such an election at this time.

The Bond Resolution imposes no limitation on the amount of additional parity bonds which may be authorized for issuance by the District's voters or the amount ultimately issued by the District. Issuance of additional bonds could dilute the investment security for the Bonds.

Annexation by the City of Houston

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

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

Consolidation

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

Remedies in Event of Default

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

Legal Investment and Eligibility to Secure Public Funds in Texas

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

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

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

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

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

Defeasance

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

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

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

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

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

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

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

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

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

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

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

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

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USE AND DISTRIBUTION OF BOND PROCEEDS

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

I.	**CONSTRUCTION COSTS**		
	Water, Sanitary Sewer and Drainage to Serve:		
	Woodridge Forest Section Four	$	247,234
	Woodridge Forest Soaring Woods Lane		259,662
	Woodridge Forest Section Nine		1,354,472
	Clearing and Grubbing to Serve Woodridge Forest Section 4 & Woodland Hills Drive		26,243
	Engineering and Materials Testing		302,136
	Geotechnical		4,851
	Stormwater Pollution Prevention Planning		49,772
	Less: Surplus Funds (a)		(11,189)
	Total Construction Costs	**$**	**2,233,181**
II.	**NON-CONSTRUCTION COSTS**		
	Developer Interest	$	337,500
	Capitalized Interest (b)		112,500
	Bond Discount (c)		59,981
	Total Non-Construction Costs	**$**	**509,981**
III.	**ISSUANCE COSTS AND FEES**		
	Issuance Costs and Professional Fees	$	195,319
	Bond Application Report		51,000
	State Regulatory Fees		10,500
	Contingency (c)		19
	Total Issuance Costs and Fees	**$**	**256,838**
	TOTAL BOND ISSUE	**$**	**3,000,000**

(a) The District will use all remaining Capital Projects Funds in connection with the Bonds.
(b) The District will capitalize $112,500 of interest, which is the maximum amount approved by the TCEQ.
(c) The TCEQ approved a maximum amount of bond discount of 2.00%. Contingency represents the surplus funds resulting from the sale of the Bonds at a bond discount less than estimated and can be used for purposes allowed and approved by the TCEQ.

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THE DISTRICT

General

The District is a political subdivision of the State of Texas, created by order of the TCEQ on February 22, 2007 and operates pursuant to Article XVI, Section 59 of the Texas Constitution and Chapters 49 and 54 of the Texas Water Code, as amended.

The District is empowered, among other things, to purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the supply and distribution of water; the collection, transportation, and treatment of wastewater; the control and diversion of storm water; and for parks and recreational facilities. The District may issue bonds and other forms of indebtedness to purchase or construct such facilities. The District is also empowered to establish, operate, and maintain fire-fighting facilities, independently or with one or more conservation and reclamation districts, if approved by the City, the TCEQ and the voters of the District. Additionally, the District may, subject to certain limitations, develop and finance roads if approved by the TCEQ and the District voters. (See "THE BONDS—Issuance of Additional Debt.")

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

Description and Location

The District contains approximately 612 acres of land and is located approximately 26 miles northeast of the City of Houston's central business district. Access to the District is provided via U.S. Highway 59 and east along Northpark Drive. The District is bordered on the north by Porter Municipal Utility District, the City (Kingwood area) to the south and southwest, Loop 494 to the west and Ford Road to the east. The District lies entirely within the extraterritorial jurisdiction of the City and is located within the boundaries of New Caney Independent School District. See "AERIAL PHOTOGRAPH."

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Land Use

The following table has been provided by the Engineer (hereinafter defined) and represents the current and planned land use within the District.

	Approximate Acres	Lots
Single-Family Residential:		
Woodridge Forest:		
Section One	8	33
Section Two	17	62
Section Three	19	70
Section Four	21	67
Section Five	8	38
Section Six	12	58
Section Seven	4	20
Section Eight	7	28
Section Nine	12	45
Section Ten	7	29
Section Eleven	10	41
Section Twelve	12	59
Section Thirteen	5	31
Section Fourteen	4	27
Section Fifteen	4	32
Section Sixteen (a)	8	31
Section Seventeen	2	10
Section Eighteen	1	4
Section Nineteen	4	27
Section Twenty	1	2
Subtotal	166	714
Preserve at Woodridge (b)	6	--
New Caney ISD Middle School	23	--
Church Site	35	--
Recreation Center	2	--
Non-Developable (c)	380	--
Subtotal	446	--
Totals	612	714

(a) Construction is underway with completion expected in the fourth quarter of 2022.

(b) Project is located on 17 acres, 6 of which are in the District. Construction is expected to be completed by the end of 2022.

(c) Includes approximately 120 acres consisting of drainage easements, flood plain, rights-of-way, parks and open spaces, pipeline easements, and District facilities and approximately 247 acres that have been conveyed to the City of Houston and Harris County for their use. See "Status of Development—Other" below.

Status of Development

Single-Family Residential: A portion of the District is being developed as Woodridge Forest, a primarily single family residential community consisting of 683 single-family residential lots on approximately 158 acres. Construction of water, sanitary sewer and storm drainage facilities to serve Woodridge Forest, Sections One through Fifteen, and Sections Seventeen through Twenty, as well as street paving, has been completed. As of April 13, 2022, 643 homes were completed, of which 642 were occupied, 9 new homes were under construction, and 31 developed lots were available for home construction in the District. In addition, 31 single-family residential lots on approximately 8 acres in Woodridge Forest, Section Sixteen are currently under construction, with completion expected in the fourth quarter of 2022 and Preserve at Woodridge, a single-family residential rental community, is under construction on approximately 17 acres, 6 of which are in the District, with completion expected by the end of 2022. Homes are currently being built in the Woodridge Forest subdivision by Westin Homes, pursuant to lot sales contracts with WR Forest and by and Century Homes. According to the District's 2021 tax rolls, the average homestead value in the District is approximately $295,039.

Other: In addition to the development described above, the District contains a middle school on approximately 23 acres and a church on approximately 35 acres, which are not subject to taxation by the District, a recreation center with a pool on approximately 2 acres and approximately 380 acres of land are contained in drainage easements, flood plain, rights-of-way, parks and open spaces, pipeline easements, and District facilities. The 380 undevelopable acres in the District includes approximately 247 acres purchased by the City and Harris County for regional detention purposes following litigation, removing such property from the District's tax rolls. The District was not a party to the suit.

THE DEVELOPER AND OTHER LANDOWNERS

General

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

The Developer

WR Forest, LLC: The developer of Woodridge Forest Sections One through Thirteen, Section Fifteen, Section Seventeen and Sections Nineteen through Twenty is WR Forest, LLC, a Texas limited liability company ("WR Forest" or the "Developer"), whose sole general partner is Cathexis Capital, LLC, a Texas limited liability company. WR Forest was formed for the sole purpose of owning and developing approximately 344 acres of land in District consisting of the Woodridge Forest single-family residential subdivision. During the development of this subdivision, WR Forest engaged Cernus Development, LLC, a Houston-based real estate development firm, as the development manager to handle the day-to-day development, construction, and lot sales for the land owned by WR Forest. As described in "THE DISTRICT—Status of Development," WR Forest has completed construction of Woodridge Forest, Sections One through Thirteen, Section Fifteen, Section Seventeen and Sections Nineteen through Twenty which consists of approximately 153 acres and 652 single-family residential lots. WR Forest does not own any remaining developable land within the District and Cernus Development, LLC, is no longer engaged as development manager.

Other Landowners

Century Land Holdings of Texas, LLC: The developer of Woodridge Forest Sections Fourteen and Eighteen is Century Land Holdings of Texas, LLC ("Century"), a special purpose entity created solely for the purpose of developing land in projects located in Texas. Century is a Texas limited liability company owned by Century Communities, Inc. Century Communities Inc. is a publicly traded corporation, based out of Colorado, whose stock is traded on the New York Stock Exchange under the trading symbol CCS. As described in "THE DISTRICT—Status of Development," Century has completed construction of Woodridge Forest Sections Fourteen and Eighteen which consists of approximately 5 acres and 31 single-family residential lots. Century continues to own approximately 8 acres of land within the District where construction is underway for the development of 31 single-family residential lots with an expected completion in the fourth quarter of 2022. Century does not have an agreement with the District for reimbursement of any development costs.

Preserve at Woodridge, LLC: The developer of Preserve at Woodridge is Preserve at Woodridge, LLC, a Delaware Limited Liability Company ("Preserve at Woodridge, LLC"), a special purpose entity created by Guefen Development Partners. Preserve at Woodridge, LLC was formed for the sole purpose of developing approximately 17 acres of land, of which approximately 6 acres are within the boundaries of the District. Preserve at Woodridge is being constructed as a single family build to rent multi-family community which will consist of 131 detached single family homes. As a portion of the land is outside the District, the District and Preserve at Woodridge, LLC have entered into a utility service agreement whereby the District agreed to provide water and sewer service for 133 ESFCs. Pursuant to the utility service agreement, Preserve at Woodridge, LLC will pay to the District an amount equivalent to the amount that the District would have collected in annual tax revenue from the portion of the land located outside the District if that portion were located within the District. The payment will be paid monthly in equal installments and included in the monthly water and sewer bill. Preserve at Woodridge, LLC does not have an agreement with the District for reimbursement of any development costs.

Century and Preserve at Woodridge, LLC are herein referred to together as the "Other Landowners."

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

Homebuilding

WR Forest has entered into lot sales contracts with Westin Homes for certain lots in Woodridge Forest developed by WR Forest. Pursuant to such lot sales contracts, Westin Homes is required to make an earnest money deposit and to take down single-family lots at a pace of six to ten lots per quarter. According to WR Forest, Westin Homes is in substantial compliance with all of the terms of its lot sales contracts. Westin Homes and Century have no obligations to or agreements with the District to construct any homes or other improvements in the District. Century is building homes in Woodridge Forest, Sections Fourteen and Eighteen.

MANAGEMENT OF THE DISTRICT

Board of Directors

The District is governed by the Board, consisting of five (5) directors, which has control over and management supervision of all affairs of the District. Directors are elected to four-year staggered terms and elections are held in May in even numbered years only. A majority of the Board members reside within the District. The current members and officers of the Board along with their titles and terms, are listed as follows:

Name	Title	Term Expires
Joseph Manning	President	May 2024
Noel Martinez II	Vice President	May 2026
Andy Ramirez	Secretary	May 2024
Paul Ullman	Assistant Secretary	May 2026
Gustavo Melo	Director	May 2026

District Consultants

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

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

Disclosure Counsel: The District has engaged Bracewell LLP as Disclosure Counsel in connection with the issuance of the District's bonds. The fees of the attorneys in their capacity as Disclosure Counsel are contingent upon the sale and delivery of the Bonds.

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

Independent Auditor: The District's financial statements for the fiscal year ending July 31, 2021, were prepared by the independent accounting firm of McCall Gibson Swedlund Barfoot, PLLC, Certified Public Accountants. See "APPENDIX A" for a copy of the audited financial statements of the District as of July 31, 2021.

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

Tax Appraisal: The Montgomery Central Appraisal District (the "Appraisal District") has the responsibility of appraising all property within the District. See "TAXING PROCEDURES."

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

Bookkeeper: The District has contracted with Myrtle Cruz, Inc. for bookkeeping services (the "Bookkeeper").

Utility System Operator: The operator of the District's water and wastewater system is Inframark.

THE SYSTEM

Regulation

According to the Engineer, the District's water supply and distribution, wastewater collection, and storm drainage facilities (collectively, the "System") have been designed in accordance with accepted engineering practices and the then current requirements of various entities having regulatory or supervisory jurisdiction over the construction and operation of such facilities. The construction of the System was required to be accomplished in accordance with the standards and specifications of such entities and is subject to inspection by each such entity. Operation of the System must be accomplished in accordance with the standards and requirements of such entities. The TCEQ exercises continuing supervisory authority over the District. Discharge of treated sewage is subject to the regulatory authority of the TCEQ and the U.S. Environmental Protection Agency. Construction of drainage facilities is subject to the regulatory authority of the City, Montgomery County and, in some instances, the TCEQ. Montgomery County and the City also exercise regulatory jurisdiction over the System. The regulations and requirements of entities exercising regulatory jurisdiction over the System are subject to further development and revision which, in turn, could require additional expenditures by the District in order to achieve compliance. In particular, additional or revised requirements in connection with any permit for the wastewater treatment plant in which the District owns capacity beyond the criteria existing at the time of construction of the plant could result in the need to construct additional facilities in the future. The following descriptions are based upon information supplied by the Engineer.

Water Supply and Wastewater Treatment

Construction of the District's System has been financed with funds advanced by the Developer, a portion of which will be reimbursed with proceeds of the Bonds. Additional costs of the System will be reimbursed to the Developer with the proceeds from the sale of future bonds.

Source of Water Supply: Porter Special Utility District ("Porter SUD") holds a Certificate of Convenience and Necessity ("CCN") which grants it authority over the provision of water supply service to the land in the District. Porter SUD and the District have entered into a Contract for Wholesale Water Service, as amended (the "Water Contract"), that provides the terms and conditions under which Porter SUD will provide wholesale potable water supply to the District. Subject to certain notification and reservation requirements set forth in the Water Contract, Porter SUD will provide sufficient water supply capacity to meet the District's total projected demand at full development, which, according to the Engineer, is estimated to be 1,250 equivalent single-family connections ("ESFCs"). The District has requested capacity to serve 1,000 ESFCs and may make additional capacity requests every six months up to a total of 2,400 ESFCs of water capacity. The District (or the Developer and Other Landowners on behalf of the District) will pay Porter SUD an impact fee on a per connection basis in accordance with the Porter SUD impact fee schedule, which is currently $1,800 per 5/8 x 3/4 meter size. Porter SUD is responsible for the cost of operating and maintaining its water supply facilities. The District pays Porter SUD wholesale water rates, as established from time to time by Porter SUD, per thousand gallons of water received to provide service to the District. The District, at its sole cost and expense, is responsible for designing, constructing, operating and maintaining all internal facilities necessary to receive water supply from Porter SUD and provide service to the District's customers.

Porter SUD's water plants consist of five active water wells with a total capacity of 8,400 gallons per minute ("gpm"), five ground storage tanks with a total capacity of 970,000 gallons, four elevated storage tanks with a total capacity of 1,300,000 gallons, one 10,000 gallon hydro-pneumatic tank, and eleven booster pumps with a total capacity of 8,100 gpm. A series of water mains has been designed to distribute the water and provide for redundancy should one of the water plants be out of service. According to the Engineer, the District's current water supply is sufficient to serve the 652 ESFCs (643 completed homes and 9 homes under construction) currently located within the District, and for 133 ESFC's for Preserve at Woodridge.

Lone Star Groundwater-Conservation District: Porter SUD and the District are within the boundaries of the Lone Star Groundwater Conservation District (the "Conservation District") which was created by the Texas legislature in 2001. The Conservation District was created to conserve, enhance, and protect the groundwater resources of Montgomery County. In the future, it is expected that the Conservation District will require a partial conversion to surface water. The Conservation District bills Porter SUD for water pumped from Porter SUD's wells. The current Conservation District fee billed to and passed on to the District by Porter SUD is per 1,000 gallons of water pumped from wells to finance the Conservation District's operations. This fee is subject to future increases.

San Jacinto River Authority GRP Agreement: In response to the Conservation District requirements, the San Jacinto River Authority ("SJRA") expressed a willingness to assume responsibility to construct and operate a surface water treatment plant at Lake Conroe and a water transmission system to major populated areas of Montgomery County, thus enabling the entire county to comply with the Conservation District requirements.

SJRA offered to enter into a contract for groundwater reduction planning, alternative water supply, and related goods and services (the "GRP Contract") with all large water users in Montgomery County to achieve the goals for reduction of groundwater pumpage for the entire county. Approximately 81 larger volume water users in Montgomery County, including Porter SUD approved and entered into the GRP Contract (collectively the "Participants") and are in compliance with SJRA and Conservation District requirements applicable to groundwater pumpage from Porter SUD's wells.

Pursuant to the GRP Contract, SJRA has developed, implemented and is enforcing a groundwater reduction plan ("GRP") covering all Participants to achieve and maintain compliance with the Conservation District requirements. The initial phase of the GRP was to design and construct a surface water treatment plant at the Lake Conroe Dam and a water transmission system (the "Project") to be owned and operated by SJRA for the benefit of all Participants. The first phase of the SJRA surface water treatment plant began delivering surface water to the Participants September 1, 2015, which was ahead of the Conservation District's January 1, 2016 deadline.

The SJRA designed, permitted, financed, and constructed the Project; and will own, operate and maintain the Project. The Project will be constructed in phases. A group compliance approach will be utilized. Certain large volume Participants may by wholly-converted to treated surface water while other users may continue to use groundwater. This approach is expected to minimize overall Project cost, equalize costs for Participants and avoid geographic advantages and disadvantages.

All Participants are paying a monthly groundwater pumpage fee for groundwater pumped from wells. The pumpage fee has been set so that Participants are neither benefitted nor penalized for utilizing groundwater, and allowances will be made for Participants' costs of operating and maintain their wells.

Participants that receive treated surface water from the Project are paying the prevailing rate for water, which has been set so the Participants are neither benefitted nor penalized for being required to take water from the Project under the GRP, and allowances have been made for Participants' costs of operating on-site water facilities, as well as operating and maintaining their wells. The pumpage fees and water service fees received from the Project will be comparable, so that all Participants are paying equivalent charges without preference for customers within or outside the areas converted to surface water.

SJRA has issued bonds and will issue additional bonds to finance the capital costs of the Project, and groundwater pumpage fees and water service fees will be used to cover costs of debt service on the bonds. The SJRA pumpage fees are currently per 1,000 gallons of water pumped from Porter SUD's wells, and the District is paying its share of the pumpage fees based upon the amount of groundwater received by the District from Porter SUD. The District passes these pumpage fees and Conservation District fees on to its customers.

Porter SUD will not receive water from the first phase of the Project, but it will instead continue to pay pumpage fees and Conservation District fees for the indefinite future. The SJRA pumpage fees will increase as the costs of the Project are incurred, but the District is unable to predict the magnitude of such increases.

Source of Wastewater Treatment: Porter Municipal Utility District ("Porter MUD") holds a CCN which grants it authority over the provision of wastewater treatment service to the land in the District. Porter MUD owns and operates a 1.6 million gallon per day wastewater treatment plant. Porter MUD and the District have entered into a Wastewater Treatment Capacity Agreement, as amended ("the Wastewater Agreement"), to provide the terms and conditions for the supply of wastewater treatment capacity to the District. Subject to certain notification and reservation requirements set forth in the Wastewater Agreement, Porter MUD will provide sufficient wastewater capacity to meet the District's total projected demand at full development, which is estimated to be 1,250 ESFCs. The District (or the Developer and Other Landowners on behalf of the District) will pay Porter MUD an impact fee on a per connection basis, which is currently $3,042 per ESFC. The District has requested capacity to serve 600 ESFC and may request up to 300 ESFCs every three months up to 2,300 ESFCs. According to the Engineer, the District's current supply of wastewater treatment capacity is sufficient to serve the 652 ESFCs (643 completed homes and 9 homes under construction) currently located within the District, and for 133 ESFC's for Preserve at Woodridge.

Porter MUD is responsible for the cost of operating and maintaining its wastewater treatment plant. The District pays Porter MUD a flat sewer rate in addition to an administrative charge and additional maintenance charge, as established from time to time by Porter MUD, to provide wastewater treatment service to the District. The District, at its sole cost and expense, is responsible for designing, constructing, operating and maintaining all internal facilities necessary to collect wastewater from its customers and deliver it to Porter MUD's wastewater treatment plant.

100-Year Flood Plain

"Flood Insurance Rate Map" or "FIRM" means an official map of a community on which the Federal Emergency Management Agency ("FEMA") has delineated the appropriate areas of flood hazards. The 1% chance of probable inundation, also known as the 100-year flood plain, is depicted on these maps. The "100-year flood plain" (or 1% chance of probable inundation) as shown on the FIRM is the estimated geographical area that would be flooded by a rain storm of such intensity to statistically have a one percent chance of occurring in any given year. Generally speaking, homes must be built above the 100-year flood plain in order to meet local regulatory requirements and to be eligible for federal flood insurance. An engineering or regulatory determination that an area is above the 100-year flood plain is not an assurance that homes built in such area will not be flooded, and a number of neighborhoods in the greater Houston area that are above the 100-year flood plain have flooded multiple times in the last several years. According to the Engineer, approximately 67 acres of land within the District are shown to be within the 100-year flood plain. See "INVESTMENT CONSIDERATIONS—Extreme Weather Events."

Atlas 14

The National Weather Service recently completed a rainfall study known as National Oceanic and Atmospheric Administration ("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. Such regulations could result in higher insurance rates, increased development fees, and stricter building codes for any property located within the expanded boundaries of the floodplain. See "INVESTMENT CONSIDERATIONS—Atlas 14."

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FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)

2021 Certified Taxable Assessed Valuation	$183,438,159	(a)
2022 Preliminary Taxable Assessed Valuation	$223,709,046	(b)
Gross Direct Debt Outstanding	$22,685,000	(c)
Estimated Overlapping Debt	20,556,207	(d)
Gross Direct Debt and Estimated Overlapping Debt	$43,241,207	
Ratios of Gross Direct Debt to:		
2021 Certified Taxable Assessed Valuation	12.37%	
2022 Preliminary Taxable Assessed Valuation	10.14%	
Ratios of Gross Direct Debt and Estimated Overlapping Debt to:		
2021 Certified Taxable Assessed Valuation	23.57%	
2022 Preliminary Taxable Assessed Valuation	19.33%	
Debt Service Funds Available:		
Debt Service Funds Available as of June 7, 2022	$1,571,422	
Capitalized Interest	112,500	(e)
Total Debt Service Funds Available	$1,683,922	
Operating Funds Available as of June 7, 2022	$2,869,563	
Capital Projects Funds Available as of June 7, 2022	$ 11,110	(f)

(a) As certified by the Montgomery Central Appraisal District (the "Appraisal District"). See "TAXING PROCEDURES."
(b) Provided by the Appraisal District as a preliminary indication of the 2022 taxable value as of January 1, 2022. Such value is subject to property owner protest and Appraisal District review and downward revision prior to certification. See "TAXING PROCEDURES."
(c) Includes the Bonds and the Outstanding Bonds. See "Outstanding Debt" herein.
(d) See "Estimated Overlapping Debt" herein.
(e) The District will capitalize $112,500 of interest from Bond proceeds, which is the maximum amount approved by the TCEQ. See "USE AND DISTRIBUTION OF BOND PROCEEDS."
(f) The District will use all remaining Capital Projects Funds in connection with the Bonds. See "USE AND DISTRIBUTION OF BOND PROCEEDS."

Investments of the District

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

Outstanding Debt

The District has previously issued $21,445,000 principal amount of unlimited tax bonds, of which $19,685,000 principal amount is outstanding (the "Outstanding Bonds") as of the date hereof. The following table lists the original principal amount of the Outstanding Bonds and the Outstanding Bonds as of the date of this OFFICIAL STATEMENT.

Series	Original Principal Amount	Outstanding Bonds
2016	$ 5,000,000	$ 4,355,000
2017	3,310,000	2,790,000
2018	2,860,000	2,515,000
2020	5,975,000	5,725,000
2020A	4,300,000	4,300,000
Total	$ 21,445,000	$ 19,685,000

Debt Service Requirements

The following sets forth the debt service on the Outstanding Bonds (see "Outstanding Debt" in this section) and the Bonds. This schedule does not reflect the fact that $112,500 of interest will be capitalized from Bond proceeds to pay debt service on the Bonds. See "USE AND DISTRIBUTION OF BOND PROCEEDS."

Year	Outstanding Bonds Debt Service Requirements	Plus: Debt Service on the Bonds Principal	Interest	Total	Total Debt Service Requirements
2022	$ 1,085,878.13 (a)	$ -	$ -	$ -	$ 1,085,878.13
2023	1,379,706.28	100,000	124,150.00	224,150.00	1,603,856.28
2024	1,360,531.28	100,000	114,000.00	214,000.00	1,574,531.28
2025	1,333,856.28	100,000	110,000.00	210,000.00	1,543,856.28
2026	1,311,031.28	100,000	107,000.00	207,000.00	1,518,031.28
2027	1,299,931.28	115,000	104,000.00	219,000.00	1,518,931.28
2028	1,283,231.28	115,000	99,400.00	214,400.00	1,497,631.28
2029	1,265,918.78	135,000	94,800.00	229,800.00	1,495,718.78
2030	1,252,993.78	135,000	89,400.00	224,400.00	1,477,393.78
2031	1,239,356.28	135,000	84,000.00	219,000.00	1,458,356.28
2032	1,224,968.78	135,000	78,600.00	213,600.00	1,438,568.78
2033	1,234,787.52	135,000	73,200.00	208,200.00	1,442,987.52
2034	1,218,781.26	135,000	67,800.00	202,800.00	1,421,581.26
2035	1,226,987.52	130,000	62,400.00	192,400.00	1,419,387.52
2036	1,209,356.26	130,000	57,200.00	187,200.00	1,396,556.26
2037	1,190,475.00	130,000	52,000.00	182,000.00	1,372,475.00
2038	1,170,906.24	130,000	46,800.00	176,800.00	1,347,706.24
2039	1,150,243.74	130,000	41,600.00	171,600.00	1,321,843.74
2040	1,128,875.00	130,000	36,400.00	166,400.00	1,295,275.00
2041	1,111,650.00	130,000	31,200.00	161,200.00	1,272,850.00
2042	763,287.50	130,000	26,000.00	156,000.00	919,287.50
2043	491,375.00	130,000	20,800.00	150,800.00	642,175.00
2044	204,750.00	130,000	15,600.00	145,600.00	350,350.00
2045	-	130,000	10,400.00	140,400.00	140,400.00
2046	-	130,000	5,200.00	135,200.00	135,200.00
Total	$ 26,138,878.47	$ 3,000,000	$ 1,551,950.00	$ 4,551,950.00	$ 30,690,828.47

Average Annual Debt Service Requirements (2023-2046) $1,233,540
Maximum Annual Debt Service Requirement (2023)... $1,603,856

(a) Excludes the District's March 1, 2022 debt service payment of $290,878.

Estimated Overlapping Debt

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

Taxing Jurisdiction	Outstanding Bonds		As of	Overlapping Percent	Overlapping Amount
Montgomery County	$ 464,200,000		4/30/2022	0.31%	$ 1,439,020
New Caney Independent School District	561,995,000		4/30/2022	3.31%	18,602,035
Lone Star College System	643,940,000		4/30/2022	0.08%	515,152
Total Estimated Overlapping Debt					$ 20,556,207
The District	22,685,000	(a)	Current	100.00%	22,685,000
Total Direct and Estimated Overlapping Debt					$ 43,241,207

Direct and Estimated Overlapping Debt as a Percentage of:
2021 Certified Taxable Assessed Valuation of $183,438,159 ....23.57%
2022 Preliminary Taxable Assessed Valuation of $223,709,046....19.33%

(a) The Bonds and the Outstanding Bonds.

Overlapping Taxes

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

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

	Tax Rate per $100 of Taxable Assessed Valuation
Montgomery County	$ 0.40830
Montgomery County Hospital District	0.05670
New Caney Independent School District	1.46030
Montgomery County Emergency Services District No. 6	0.10000
Lone Star College System	0.10780
Total Overlapping Tax Rate	$ 2.13310
The District	1.26000
Total Tax Rate	$ 3.39310

General Operating Fund

The following statement sets forth in condensed form the General Operating Fund as shown in the District's audited financial statements for the fiscal year ending July 31, 2018, through the fiscal year ending July 31, 2021 and an unaudited summary for the period ended May 31, 2022, provided by the Bookkeeper. Accounting principles customarily employed in the determination of net revenues have been observed and in all instances exclude depreciation. Reference is made to "APPENDIX A" for further and complete information.

	8/1/21 thru 5/31/22 (a)	Fiscal Year Ended July 31 2021	2020	2019	2018
Revenues					
Property taxes	$ 814,280	$ 825,207	$ 799,744	$ 623,626	$ 511,880
Water service	242,477	247,413	242,549	196,493	178,327
Wastewater service	318,871	409,596	359,142	286,781	244,178
Impact / Capital Recovery Fees	593,586	91,998	106,524	318,972	482,490
Groundwater Reduction Plan Fees	108,889	132,950	134,115	106,438	108,694
Tap Connection and Inspection fees	161,509	63,915	125,885	135,270	134,702
Penalty and Interest	7,719	5,551	7,678	5,000	3,913
Sale of Capacity	-	-	-	-	22,433
Miscellaneous Revenues	496	5,989	38,931	24,541	7,748
Total Revenues	$ 2,247,826	$ 1,782,619	$ 1,814,568	$ 1,697,121	$ 1,694,365
Expenditures					
Professional fees	$ 130,523	$ 205,280	$ 240,051	$ 186,748	$ 133,771
Contracted services	141,137	168,446	149,239	145,395	115,145
Purchased Water Service	247,443	326,994	276,980	226,720	224,893
Purchased Wastewater Service	199,771	236,531	211,258	175,874	153,872
Repairs and maintenance	193,115	296,272	259,008	296,593	257,216
Other	69,791	108,687	157,251	133,692	123,108
Bond Issuance Costs	22,929	-	38,942	34,943	33,944
Capital Outlay	-	221,959	318,652	389,955	457,164
Total Expenditures	$ 1,004,709	$ 1,564,169	$ 1,651,381	$ 1,589,920	$ 1,499,113
Revenues Over (Under) Expenditures	$ 1,243,117	$ 218,450	$ 163,187	$ 107,201	$ 195,252
Other Sources (Interfund Transfer)	$ 60,000	$ 63,379	$ 53,742	$ 44,368	$ -
Fund Balance (Beginning of Year)	$ 1,649,554	$ 1,367,725	$ 1,150,796	$ 999,227	$ 803,975
Fund Balance (End of Year)	$ 2,952,671	$ 1,649,554	$ 1,367,725	$ 1,150,796	$ 999,227

(a) Unaudited. Provided by the Bookkeeper. Represents ten months of operations.

TAX DATA

Debt Service Tax

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

Maintenance Tax

The Board has the statutory authority to levy and collect an annual ad valorem tax for the operation and maintenance of the District, if such a maintenance tax is authorized by the District's voters. A maintenance tax election was conducted November 6, 2007, and voters of the District authorized, among other things, the Board to levy a maintenance tax at a rate not to exceed $1.50 per $100 of taxable assessed valuation. A maintenance tax is in addition to taxes which the District is authorized to levy for paying principal of and interest on the Bonds. See "Debt Service Tax" above and "Historical Tax Rate Distribution" below.

Historical Tax Rate Distribution

	Tax Year				
	2021	2020	2019	2018	2017
Debt Service	$ 0.80	$ 0.75	$ 0.65	$ 0.65	$ 0.67
Maintenance and Operations	0.46	0.51	0.61	0.61	0.60
Total	$ 1.26	$ 1.26	$ 1.26	$ 1.26	$ 1.27

Additional Penalties

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

Historical Tax Collections

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

Tax Year	Certified Taxable Assessed Valuation (a)	Tax Rate	Total Tax Levy (b)	Total Collections as of May 31, 2022 (c)	
				Amount	Percent
2017	$ 85,685,780	$ 1.27	$ 1,088,209	$ 1,088,209	100.00%
2018	102,797,526	1.26	1,295,249	1,295,249	100.00%
2019	130,689,234	1.26	1,646,684	1,646,684	100.00%
2020	161,672,015	1.26	2,037,067	2,034,304	99.86%
2021	183,438,159	1.26	2,311,321	2,234,302	96.67%

(a) Net valuation represents final gross appraised value as certified by the Appraisal District less any exemptions granted. See "Tax Roll Information" below for gross appraised value and exemptions granted by the District.
(b) Represents actual tax levy, including any adjustments by the Appraisal District, as of the date hereof.
(c) Unaudited. Unaudited information has not been prepared or reviewed by the District's independent auditor. It is derived from the internal accounts of the District and is subject to revision upon completion of the District's annual audits.

Tax Roll Information

The District's assessed value as of January 1 of each year is used by the District in establishing its tax rate (see "TAXING PROCEDURES—Valuation of Property for Taxation"). The following represents the composition of property comprising the 2020 and 2021 Certified Taxable Assessed Valuations and the 2022 Preliminary Taxable Assessed Valuation, which is subject to property owner protest and Appraisal District review and downward revision prior to certification. Taxes are levied on taxable value certified by the Appraisal District as of January 1 of each year.

	2022 Preliminary Taxable Assessed Valuation (a)	2021 Certified Taxable Assessed Valuation	2020 Certified Taxable Assessed Valuation
Land	$ 37,375,469	$ 35,558,169	$ 33,285,709
Improvements	242,937,520	179,219,225	156,405,650
Personal Property	2,885,421	2,941,553	3,329,596
Exemptions	(59,489,364)	(34,280,788)	(31,348,940)
Total	$ 223,709,046	$ 183,438,159	$ 161,672,015

(a) Provided by the Appraisal District as a preliminary indication of the 2022 taxable value as of January 1, 2022. Such value is subject to property owner protest and Appraisal District review and downward revision prior to certification. See "TAXING PROCEDURES."

Principal Taxpayers

The following table represents the ten major taxpayers in the District, the taxable assessed valuation of such property, and such property's taxable assessed valuation as a percentage of the 2021 Certified Taxable Assessed Valuation of $183,438,159. A principal taxpayer list related to the 2022 Preliminary Taxable Assessed Valuation of $223,709,046, which is subject to property owner protest and Appraisal District review and downward revision prior to certification, is not available.

Taxpayer	Type of Property	2021 Certified Taxable Assessed Valuation	% of 2021 Certified Taxable Assessed Valuation
Westin Homes & Properties LP (a)	Houses and Lots	$ 1,664,165	0.91%
Opendoor Property Trust I	Houses and Lots	932,890	0.51%
Individual	Houses and Lots	632,180	0.34%
Century Land Holdings of Texas LLC (b)	Land	608,610	0.33%
Individual	House and Lot	468,770	0.26%
Individual	House and Lot	460,490	0.25%
Individual	House and Lot	441,110	0.24%
Individual	House and Lot	436,000	0.24%
Individual	House and Lot	432,020	0.24%
Individual	House and Lot	431,150	0.24%
Total		$ 6,507,385	3.56%

(a) See "THE DEVELOPER AND OTHER LANDOWNERS—Homebuilding."
(b) See "THE DEVELOPER AND OTHER LANDOWNERS—Other Landowners."

Tax Adequacy for Debt Service

The tax rate calculations set forth below are presented to indicate the tax rates per $100 taxable assessed valuation which would be required to meet average annual and maximum annual debt service requirements if no growth in the District's tax base occurred beyond the 2021 Certified Taxable Assessed Valuation of $183,438,159 and the 2022 Preliminary Taxable Assessed Valuation of $223,709,046, which is subject to property owner protest and Appraisal District review and downward revision prior to certification. The calculations contained in the following table merely represent the tax rates required to pay principal of and interest on the Bonds and the Outstanding Bonds when due, assuming no further increase or any decrease in taxable values in the District, collection of ninety-five percent (95%) of taxes levied, the sale of no additional bonds, and no other funds available for the payment of debt service. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Debt Service Requirements" and "INVESTMENT CONSIDERATIONS—Possible Impact on District Tax Rates."

Average Annual Debt Service Requirement (2023-2046)	$1,233,540
$0.71 Tax Rate on the 2021 Certified Taxable Assessed Valuation	$1,237,290
$0.59 Tax Rate on the 2022 Preliminary Taxable Assessed Valuation	$1,253,889
Maximum Annual Debt Service Requirement (2023)	$1,603,856
$0.93 Tax Rate on the 2021 Certified Taxable Assessed Valuation	$1,620,676
$0.76 Tax Rate on the 2022 Preliminary Taxable Assessed Valuation	$1,615,179

No representation or suggestion is made that the 2022 Preliminary Taxable Assessed Valuation will not be adjusted downward prior to certification, and no person should rely upon such amounts or their inclusion herein as assurance of their attainment. See "TAXING PROCEDURES."

TAXING PROCEDURES

Authority to Levy Taxes

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

Property Tax Code and County-Wide Appraisal District

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

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

Property Subject to Taxation by the District

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

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

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

Tax Abatement

Montgomery County or the City may designate all or part of the area within the District as a reinvestment zone. Thereafter, Montgomery County, the City and the District, under certain circumstances, may enter into tax abatement agreements with owners of property within the zone. Prior to entering into a tax abatement agreement, each entity must adopt guidelines and criteria for establishing tax abatement, which each entity will follow in granting tax abatement to owners of property. The tax abatement agreements may exempt from ad valorem taxation by each of the applicable taxing jurisdictions, including the District, for a period of up to ten (10) years, all or any part of any increase in the appraised valuation of property covered by the agreement over its appraised valuation in the year in which the agreement is executed, on the condition that the property owner make specified improvements or repairs to the property in conformity with the terms of the tax abatement agreement. Each taxing jurisdiction has discretion to determine terms for its tax abatement agreements without regard to the terms approved by the other taxing jurisdictions. To date, neither Montgomery County nor the City has designated land within the District as a reinvestment zone.

Valuation of Property for Taxation

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

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

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

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

District and Taxpayer Remedies

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

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

Levy and Collection of Taxes

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

Tax Payment Installments After Disaster

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

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

Rollback of Operation and Maintenance Tax Rate

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

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

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

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

The District: A determination as to a district's status as a Special Taxing Unit, Developed District or Developing District will be made by the Board of Directors on an annual basis. For tax year 2021, the Board classified the District as 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 as of January 1 of the year for which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all state and local taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of the State of Texas and each local taxing unit, including the District, having power to tax the property. The District's tax lien is on a parity with tax liens of such other taxing units. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Overlapping Taxes." A tax lien on real property takes priority over the claim of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien; however, whether a lien of the United States is on a parity with or takes priority over a tax lien of the District is determined by applicable federal law. Personal property under certain circumstances is subject to seizure and sale for the payment of delinquent taxes, penalty, and interest.

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

The Effect of FIRREA on Tax Collections of the District

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

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

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

INVESTMENT CONSIDERATIONS

General

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

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.

There are currently no COVID-19 related operating limits imposed by the Governor for any business or other establishment in the State of Texas. 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.

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.

Potential Effects of Oil Price Volatility on the Houston Area

The economy of the Houston area has, in the past, been particularly affected by adverse conditions in the oil and gas industry, and such conditions and their spillover effects into other industries could result in declines in the demand for residential and commercial property in the Houston area and could reduce or negatively affect property values or homebuilding activity within the District. This District cannot predict the impact that negative conditions in the oil industry will have on property values within the District.

Extreme Weather Events

The greater Houston area, including the District, is subject to occasional severe weather events, including floods, tropical storms and hurricanes. If the District were to sustain damage to its facilities requiring substantial repair or replacement, or if substantial damage were to occur to taxable property within the District as a result of such a weather event, the investment security of the Bonds could be adversely affected. The greater Houston area has experienced multiple storms exceeding a 0.2% probability (i.e. "500-year flood" events) since 2015, including Hurricane Harvey, which made landfall along the Texas Gulf Coast on August 25, 2017, and brought historic levels of rainfall during the successive four days. The area in which the District is located experienced two 500-year flood events in 2019 – on May 7, 2019 (the "May 2019 Event") and from Tropical Storm Imelda in September 2019.

According to the Operator, the District's water and sewer system did not sustain any material damage and there was no interruption of water and sewer service as a result of Hurricane Harvey, the May 2019 Event, or Tropical Storm Imelda. Further, according to the District, no homes within the District experienced structural flooding or other material damage as a result of flooding caused by Hurricane Harvey, the May 2019 Event or Tropical Storm Imelda. Flooding occurred immediately south of and adjacent to the District in the Elm Grove Subdivision in connection with the May 2019 Event. Additional flooding in the Elm Grove Subdivision occurred during Tropical Storm Imelda in September 2019.

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

Specific Flood Type Risks

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

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

Atlas 14

The National Weather Service recently completed a rainfall study known as NOAA Atlas 14, Volume 11 Precipitation-Frequency Atlas of the United States ("Atlas 14"). Floodplain boundaries within the District may be redrawn based upon the Atlas 14 study, which is based upon a higher statistical rainfall amount, resulting in interim floodplain regulations applying to a larger number of properties 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. See "THE SYSTEM—Atlas 14."

Litigation Regarding Woodridge Village Subdivision

Figure Four Partners. LTD. ("Figure Four") owned approximately 268 acres of undeveloped land in the District previously designated for the development of Woodridge Village as a single-family residential subdivision. Residents of the Elm Grove Subdivision, which lies to the south of Woodridge Village in Harris County, filed suit against Figure Four and others claiming that the development activities taking place in Woodridge Village resulted in damage to homeowners in Elm Grove from flooding in connection with a rain event that took place on May 7, 2019. The District was not party to the suit and the suit was settled. The City and Harris County purchased the property for regional detention; and such property has removed from the District's tax rolls.

Economic Factors and Interest Rates

The majority of the taxable value of the District results from the current market value of single-family residences and of developed lots which are currently being marketed by the Developer and/or the Other Landowners for sale to homebuilders and homebuyers for the construction of primary residences. The market value of such homes and lots is related to general economic conditions in the Houston region and the national economy and those conditions can affect the demand for residences. Demand for lots of this type and the construction of residential dwellings thereon can be significantly affected by factors such as interest rates, credit availability (see "Credit Market and Liquidity in the Financial Markets"), construction costs and the prosperity and demographic characteristics of the urban center toward which the marketing of lots is directed. Decreased levels of construction activity would tend to restrict the growth of property values in the District or could adversely impact such values.

Credit Markets and Liquidity in the Financial Markets

Interest rates and the availability of mortgage and development funding have a direct impact on the construction activity, particularly short-term interest rates at which developers are able to obtain financing for development costs. Interest rate levels may affect the ability of a landowner with undeveloped property to undertake and complete construction activities within the District. Because of the numerous and changing factors affecting the availability of funds, the District is unable to assess the future availability of such funds for continued construction within the District. In addition, since the District is located approximately 26 miles northeast from the central downtown business district of the City, the success of development within the District and growth of District taxable property values are, to a great extent, a function of the Houston metropolitan and regional economies and the national financial and credit markets. A downturn in the economic conditions of Houston and the nation could adversely affect development and home-building plans in the District and restrain the growth or reduce the value of the District's property tax base.

Competition

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

The competitive position of the Developer and the Other Landowners in the sale of developed lots and the construction of single-family residential houses within the District by homebuilders is affected by most of the factors discussed in this section. Such a competitive position directly affects the growth and maintenance of taxable values in the District.

Possible Impact on District Tax Rates

Assuming no further development, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of owners of property within the District to pay their taxes. The 2021 Certified Taxable Assessed Valuation is $183,438,159. After issuance of the Bonds, the maximum annual debt service requirement will be $1,603,856 (2023), and the average annual debt service requirement will be $1,233,540 (2023-2046 inclusive). Assuming no increase or decrease from the 2021 Certified Taxable Assessed Valuation, the issuance of no additional debt, and no other funds available for the payment of debt service, tax rates of $0.93 and $0.71 per $100 of taxable assessed valuation at a ninety-five percent (95%) collection rate would be necessary to pay the maximum annual debt service requirement and the average annual debt service requirements, respectively. The 2022 Preliminary Taxable Assessed Valuation, which is subject to property owner protest and Appraisal District review and downward revision prior to certification, is $223,709,046, which reduces the above tax calculations to $0.76 and $0.59 per $100 of taxable assessed valuation, respectively. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Debt Service Requirements" and "TAX DATA—Tax Adequacy for Debt Service."

No representation or suggestion is made that the 2022 Preliminary Taxable Assessed Valuation will not be adjusted downward prior to certification , and no person should rely upon such amounts or their inclusion herein as assurance of their attainment. See "TAXING PROCEDURES." While the District anticipates future increases in taxable values, it makes no representations that over the term of the Bonds, the property within the District will maintain a value sufficient to justify continued payment of taxes by property owners. Property within the District also is subject to taxes levied by other political subdivisions. See "TAX DATA—Tax Adequacy for Debt Service."

Undeveloped Acreage and Vacant Lots

There are approximately 8 acres of land within the District in where construction is underway for the development of 31 single-family residential lots with an expected completion in the fourth quarter of 2022. Preserve at Woodridge, which consists of 17 acres (6 of which are in the district) is under construction with completion expected by the end of 2022. In addition, as of April 13, 2022, approximately 31 developed lots owned by Century within the District remained vacant. Future increases in taxable value will result primarily from the construction of homes by builders or the construction of commercial improvements. See "THE DISTRICT—Land Use" and "—Status of Development."

Tax Collections Limitations and Foreclosure Remedies

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

Registered Owners' Remedies and Bankruptcy Limitations

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

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

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

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

A district may not be forced into bankruptcy involuntarily.

Future Debt

The District has the right to issue obligations other than the Bonds, including tax anticipation notes and bond anticipation notes, and to borrow for any valid corporate purpose. After reimbursement with Bond proceeds, the District will continue to owe WR Forest approximately $3,900,000 plus interest for water, sewer and drainage facilities and parks and recreational facilities. The District expects to issue additional bonds in order to reimburse WR Forest for its outstanding obligations and the cost of additional water, sanitary sewer and storm drainage facilities. See "THE DISTRICT—Status of Development." At an election held on November 6, 2007 (the "Election"), the voters of the District authorized the issuance of a total of $122,000,000 principal amount of unlimited tax bonds for the purpose of providing water, sanitary sewer and storm drainage facilities and refunding purposes and $9,000,000 principal amount of unlimited tax bonds for parks and recreational facilities and refunding purposes. After the issuance of the Bonds, $97,555,000 principal amount of unlimited tax bonds will remain authorized but unissued for water, sanitary sewer and drainage facilities and refunding purposes and $9,000,000 principal amount of unlimited tax bonds will remain authorized but unissued for parks and recreational facilities and refunding purposes from the Election. In addition, voters may authorize the issuance of additional bonds secured by ad valorem taxes. 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 appraised valuations, tax collections or otherwise to limit the amount of parity bonds which it may issue. However, the principal amount of bonds sold by the District to construct park and recreational facilities is limited to one percent (1%) of the District's certified taxable assessed valuation, unless the District meets certain financial feasibility requirements under the TCEQ rules, in which case the outstanding principal amount of such bonds issued by the District may exceed an amount equal to one percent (1%) but not three percent (3%) of the value of the taxable property in the District. The issuance of additional bonds for water, sewer and drainage facilities and parks is subject to approval by the TCEQ pursuant to its rules regarding issuance and feasibility of bonds. In addition, future changes in health or environmental regulations could require the construction and financing of additional improvements without any corresponding increases in taxable value in the District. See "THE BONDS—Issuance of Additional Debt."

Environmental Regulations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

On June 9, 2021, the EPA and USACE announced plans to further revise the definition of "waters of the United States." On August 30, 2021, the United States District Court for the District of Arizona issued an order vacating the NWPR while the EPA and USACE make plans to replace it. On November 18, 2021, the EPA and USACE issued a Notice of Proposed Rulemaking to put back into place the pre-2015 definition of "waters of the United States." Due to existing and possible future litigation and regulatory action, there remains uncertainty regarding the ultimate scope of "waters of the United States" and the extent of EPA and USACE jurisdiction. Depending on the final outcome of such proceedings, operations of municipal utility districts, including the District, could potentially be subject to additional restrictions and requirements, including additional permitting requirements.

Marketability of the Bonds

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

Changes in Tax Legislation

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

Continuing Compliance with Certain Covenants

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

Risk Factors Related to the Purchase of Municipal Bond Insurance

The Underwriter has entered into an agreement with Build America Mutual Assurance Company ("BAM" or the "Insurer") for the purchase of a municipal bond insurance policy (the "Policy"). At the time of entering into the agreement, the Insurer was rated "AA" (stable outlook) by S&P. See "MUNICIPAL BOND INSURANCE."

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

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

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

LEGAL MATTERS

Legal Proceedings

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

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

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

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

No Material Adverse Change

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

No-Litigation Certificate

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

TAX MATTERS

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

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

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

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

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

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

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

Tax Accounting Treatment of Original Issue Discount Bonds

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

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

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

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

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

Qualified Tax-Exempt Obligations

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

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

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

MUNICIPAL BOND RATING

S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, (“S&P”) has assigned a municipal bond rating of “AA” (stable outlook) with the understanding that, upon delivery of the Bonds, a municipal bond insurance policy ensuring the timely payment of the principal of and interest on the Bonds will be issued by Build America Mutual Assurance Company (“BAM”). Moody’s Investors Service, Inc. (“Moody’s”) has assigned an underlying rating of “Baa3” to the Bonds. An explanation of the ratings may be obtained from S&P and Moody’s. See “INVESTMENT CONSIDERATIONS—Risk Factors Related to the Purchase of Municipal Bond Insurance” and “MUNICIPAL BOND INSURANCE.”

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

MUNICIPAL BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company (“BAM”) will issue its Municipal Bond Insurance Policy for the Bonds (the “Policy”). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as APPENDIX B to this OFFICIAL STATEMENT.

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

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM’s financial strength is rated “AA/Stable” by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC (“S&P”). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P’s current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of March 31, 2022 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $466.8 million, $172.1 million and $294.7 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

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

Additional Information Available from BAM

Credit Insights Videos: For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at www.buildamerica.com/videos. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles: Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at www.buildamerica.com/credit-profiles. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers: The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

PREPARATION OF OFFICIAL STATEMENT

Sources and Compilation of Information

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

Financial Advisor

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

Consultants

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

Tax Assessor/Collector: The information contained in this OFFICIAL STATEMENT relating to the breakdown of the District's historical assessed value and principal taxpayers, including particularly such information contained in the sections entitled "TAX DATA" and "SELECTED FINANCIAL INFORMATION (UNAUDITED)" has been provided by Utility Tax Service, LLC, and is included herein in reliance upon the authority of such individual as an expert in assessing property values and collecting taxes.

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

Auditor: The District's financial statements for the fiscal year ending July 31, 2021, were prepared by the independent accounting firm of McCall Gibson Swedlund Barfoot, PLLC, Certified Public Accountants. See "APPENDIX A" for a copy of the audited financial statement of the District as of July 31, 2021.

Bookkeeper: The information related to the "unaudited" summary of the District's General Operating Fund as it appears in "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—General Operating Fund" has been provided by Myrtle Cruz, Inc. and is included herein in reliance upon the authority of such firm as experts in the tracking and managing the various funds of municipal utility districts.

Updating the Official Statement

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

Certification of Official Statement

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

CONTINUING DISCLOSURE OF INFORMATION

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

Annual Reports

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

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

Event Notices

The District will provide timely notices of certain events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten business days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of Beneficial Owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District or other obligated person; (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person or the sale of all or substantially all of the assets of the District or other obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of an definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or other obligated person, any of which affect Beneficial Owners of the Bonds, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District or other obligated person, any of which reflect financial difficulties. The terms "obligated person" and "financial obligation" when used in this paragraph shall have the meanings ascribed to them under SEC Rule 15c2-12 (the "Rule"). The term "material" when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Resolution makes any provision for debt service reserves or liquidity enhancement. In addition, the District will provide timely notice of any failure by the District to provide financial information, operational data, or financial statements in accordance with its agreement described above under "Annual Reports."

Availability of Information from the MSRB

The District has agreed to provide the foregoing updated information only to the MSRB in such format and accompanied by such identifying information as prescribed by the MSRB. The MSRB makes the information available to the public without charge through an internet portal at www.emma.msrb.org.

Limitations and Amendments

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

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

Compliance With Prior Undertakings

During the past five years, the District has not failed to comply in any material respects with its continuing disclosure agreements made in accordance with SEC Rule 15c2-12.

MISCELLANEOUS

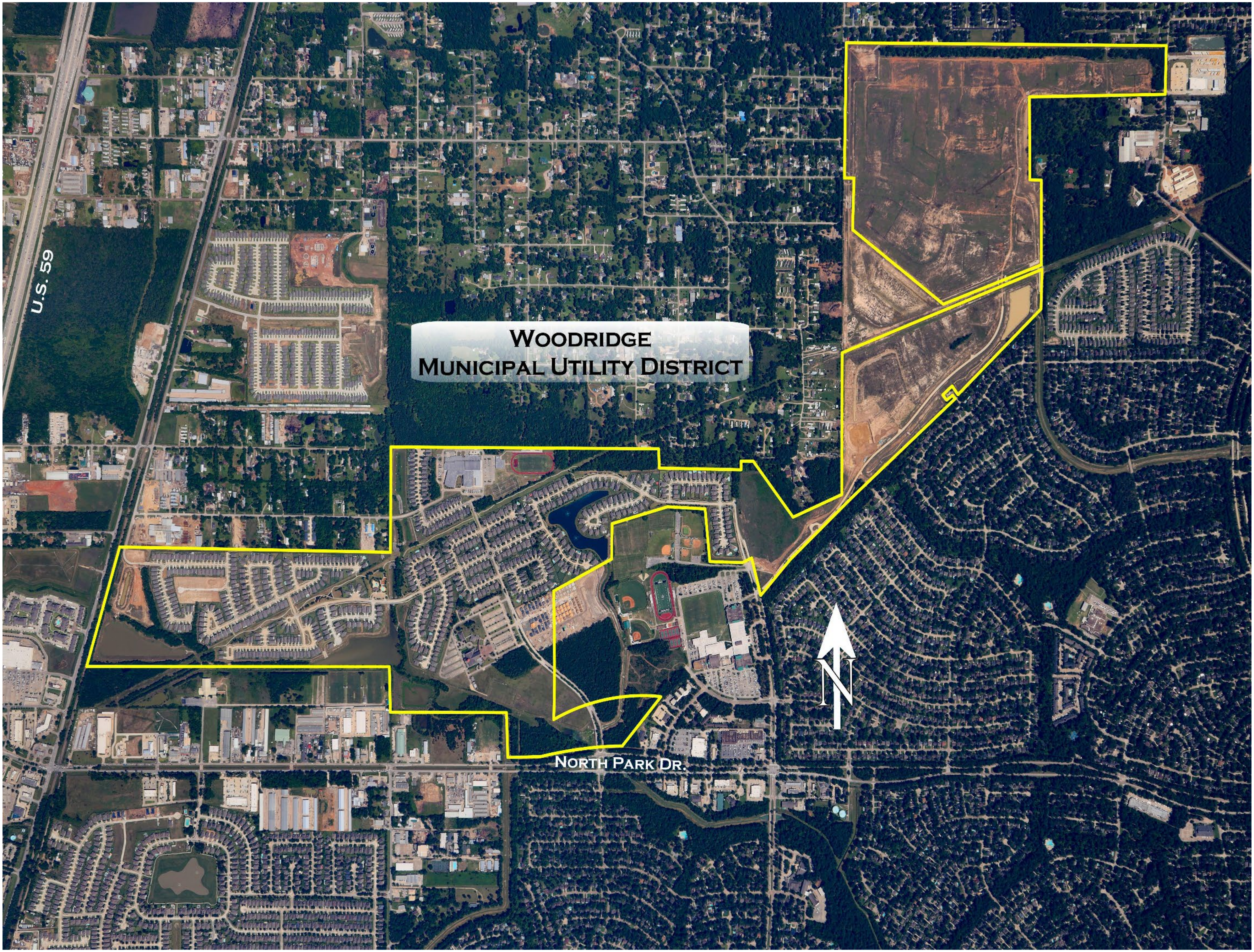
All estimates, statements and assumptions in this OFFICIAL STATEMENT and the APPENDICES hereto have been made on the basis of the best information available and are believed to be reliable and accurate. Any statements in this OFFICIAL STATEMENT involving matters of opinion or estimates, whether or not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

/s/ Joseph Manning
President, Board of Directors

ATTEST:

/s/ Andy Ramirez
Secretary, Board of Directors

AERIAL PHOTOGRAPH
(As of May 2022)


U.S. 59
Woodridge
Municipal Utility District
North Park Dr.
N

PHOTOGRAPHS OF THE DISTRICT
(As of May 2022)


WOODRIDGE
FOREST
SPEED
LIMIT
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WELCOME


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OPEN
HOUSE


SOLD

APPENDIX A

Financial Statement of the District for the fiscal year ended July 31, 2021

WOODRIDGE MUNICIPAL UTILITY DISTRICT OF MONTGOMERY COUNTY

MONTGOMERY COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

JULY 31, 2021

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

WOODRIDGE MUNICIPAL UTILITY DISTRICT OF MONTGOMERY COUNTY

MONTGOMERY COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

JULY 31, 2021

TABLE OF CONTENTS

McCALL GIBSON SWEDLUND BARFOOT PLLC

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Woodridge Municipal Utility District
of Montgomery County
Montgomery County, Texas

We have audited the accompanying financial statements of the governmental activities and each major fund of Woodridge Municipal Utility District of Montgomery County (the "District"), as of and for the year ended July 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Board of Directors
Woodridge Municipal Utility District
of Montgomery County

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of July 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

McCall Gibson Swedlund Barfoot PLLC

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
Houston, Texas

November 4, 2021

WOODRIDGE MUNICIPAL UTILITY DISTRICT
OF MONTGOMERY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2021

Management's discussion and analysis of the financial performance of Woodridge Municipal Utility District of Montgomery County (the "District") provides an overview of the District's financial activities for the year ended July 31, 2021. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

FUND FINANCIAL STATEMENTS

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

FUND FINANCIAL STATEMENTS (Continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, liabilities exceeded assets by $2,438,944 as of July 31, 2021. A portion of the District's net position reflects its net investment in capital assets (land, landscaping and the water, wastewater and drainage facilities, less any debt used to acquire those assets that is still outstanding).

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The following is a comparative analysis of government-wide changes in net position:

	Summary of Changes in the Statement of Net Position		
	2021	2020	Change Positive (Negative)
Current and Other Assets	$ 3,997,371	$ 3,140,015	$ 857,356
Capital Assets (Net of Accumulated Depreciation)	29,239,185	30,468,586	(1,229,401)
Total Assets	$ 33,236,556	$ 33,608,601	$ (372,045)
Due to Developers	$ 14,815,466	$ 18,931,041	$ 4,115,575
Bonds Payable	20,439,349	16,460,534	(3,978,815)
Other Liabilities	420,685	351,761	(68,924)
Total Liabilities	$ 35,675,500	$ 35,743,336	$ 67,836
Net Position:			
Net Investment in Capital Assets	$ (4,671,891)	$ (3,791,906)	$ (879,985)
Restricted	1,200,994	905,885	295,109
Unrestricted	1,031,953	751,286	280,667
Total Net Position	$ (2,438,944)	$ (2,134,735)	$ (304,209)

The following table provides a summary of the District's operations for the years ended July 31, 2021, and July 31, 2020.

	Summary of Changes in the Statement of Activities		
	2021	2020	Change Positive (Negative)
Revenues:			
Property Taxes	$ 2,038,156	$ 1,646,684	$ 391,472
Charges for Services	962,666	986,281	(23,615)
Other Revenues	9,225	49,849	(40,624)
Total Revenues	$ 3,010,047	$ 2,682,814	$ 327,233
Expenses for Services	3,314,256	3,480,414	166,158
Change in Net Position	$ (304,209)	$ (797,600)	$ 493,391
Net Position, Beginning of Year	(2,134,735)	(1,337,135)	(797,600)
Net Position, End of Year	$ (2,438,944)	$ (2,134,735)	$ (304,209)

WOODRIDGE MUNICIPAL UTILITY DISTRICT
OF MONTGOMERY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2021

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of July 31, 2021, were $3,809,437, an increase of $838,161 from the prior year.

The General Fund fund balance increased by $281,829, primarily due to maintenance tax revenues and service revenues exceeding operating costs and capital outlay.

The Debt Service Fund fund balance increased by $343,676, primarily due to the structure of the District's long-term debt and receipt of capitalized interest from the Series 2020A bond sale.

The Capital Projects Fund fund balance increased by $212,656. The District sold its Series 2020A Bonds and used the proceeds as described in Note 13.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors did not amend the budget during the current fiscal year. Actual revenues were $140,119 more than budgeted revenues, actual expenditures exceeded budgeted expenditures by $38,419 and actual transfers in exceeded budgeted transfers in of $63,379. The result is a positive variance of $165,079. See the budget to actual comparison for more information.

LONG-TERM DEBT ACTIVITY

As of July 31, 2021, the District had total bond debt of $20,325,000. The changes in the debt position of the District during the fiscal year ended July 31, 2021 are summarized as follows:

Bond Debt Payable, August 1, 2020	$ 16,410,000
Add: Bond Sale	4,300,000
Less: Bond Principal Paid	385,000
Bond Debt Payable, July 31, 2021	$ 20,325,000

The Series 2016 Bonds and Series 2017 Bonds are not rated. The Series 2018 Bonds, Series 2020 Bonds and Series 2020A Bonds carry underlying ratings of "Baa3" and insured ratings of "AA/A2" by virtue of bond insurance issued by Assured Guaranty Municipal Corp. or Build America Mutual Assurance Company. The ratings are as of year end and reflect any changes during the current fiscal year.

CAPITAL ASSETS

Capital assets as of July 31, 2021, total $29,239,185 (net of accumulated depreciation) and include land, landscaping and the water, wastewater and drainage systems. Current year additions to capital assets included construction of the type E inlet and swale regrading along Windward Meadow as well as water and wastewater impact fees.

Capital Assets At Year-End, Net of Accumulated Depreciation

	2021	2020	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	$ 1,572,659	$ 1,572,659	$
Construction in Progress		16,704	(16,704)
Capital Assets, Net of Accumulated Depreciation:			
Water System	4,871,156	4,902,212	(31,056)
Wastewater System	7,900,679	7,992,850	(92,171)
Drainage System	13,661,277	14,605,068	(943,791)
General/Landscape	1,233,414	1,379,093	(145,679)
Total Net Capital Assets	$ 29,239,185	$ 30,468,586	$ (1,229,401)

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Woodridge Municipal Utility District of Montgomery County, c/o Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027.

WOODRIDGE MUNICIPAL UTILITY DISTRICT
OF MONTGOMERY COUNTY
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
JULY 31, 2021

	General Fund	Debt Service Fund
ASSETS		
Cash	$ 189,678	$ 59,772
Investments	1,509,148	1,391,542
Receivables:		
Property Taxes	6,705	9,184
Penalty and Interest on Delinquent Taxes		
Service Accounts	65,349	
Accrued Interest	246	148
Builder Damages	2,714	
Developer - Annexation	40,235	
Due from Other Funds	2,948	
Land		
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	$ 1,817,023	$ 1,460,646
LIABILITIES		
Accounts Payable	$ 111,671	$ 8,064
Accrued Interest Payable		
Due to Developers		
Due to Other Funds		2,948
Security Deposits	49,093	
Long-Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	$ 160,764	$ 11,012
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	$ 6,705	$ 9,184
FUND BALANCES		
Restricted for Authorized Construction	$	$
Restricted for Debt Service		1,440,450
Unassigned	1,649,554	
TOTAL FUND BALANCES	$ 1,649,554	$ 1,440,450
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 1,817,023	$ 1,460,646
NET POSITION		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
TOTAL NET POSITION		

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
$ 241,617	$ 491,067	$	$ 491,067
477,816	3,378,506		3,378,506
	15,889		15,889
		3,217	3,217
	65,349		65,349
	394		394
	2,714		2,714
	40,235		40,235
	2,948	(2,948)	
		1,572,659	1,572,659
		27,666,526	27,666,526
$ 719,433	$ 3,997,102	$ 29,239,454	$ 33,236,556
$	$ 119,735	$	$ 119,735
		251,857	251,857
		14,815,466	14,815,466
	2,948	(2,948)	
	49,093		49,093
		640,000	640,000
		19,799,349	19,799,349
$ -0-	$ 171,776	$ 35,503,724	$ 35,675,500
$ -0-	$ 15,889	$ (15,889)	$ -0-
$ 719,433	$ 719,433	$ (719,433)	$
	1,440,450	(1,440,450)	
	1,649,554	(1,649,554)	
$ 719,433	$ 3,809,437	$ (3,809,437)	$ - 0 -
$ 719,433	$ 3,997,102		
		$ (4,671,891)	$ (4,671,891)
		1,200,994	1,200,994
		1,031,953	1,031,953
		$ (2,438,944)	$ (2,438,944)

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

WOODRIDGE MUNICIPAL UTILITY DISTRICT
OF MONTGOMERY COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JULY 31, 2021

Total Fund Balances - Governmental Funds		$ 3,809,437
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		29,239,185
Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2020 and prior tax levies became part of recognized revenue in the governmental activities of the District.		19,106
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
Due to Developers	$ (14,815,466)	
Accrued Interest Payable	(251,857)	
Bonds Payable	(20,439,349)	(35,506,672)
Total Net Position - Governmental Activities		$ (2,438,944)

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

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WOODRIDGE MUNICIPAL UTILITY DISTRICT
OF MONTGOMERY COUNTY
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JULY 31, 2021

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	$ 825,207	$ 1,213,310
Water Service	247,413	
Wastewater Service	409,596	
Impact Fee/Capital Recovery Fees	91,998	
Groundwater Reduction Plan Fees	132,950	
Tap Connection and Inspection Fees	63,915	
Penalty and Interest	5,551	11,278
Investment and Miscellaneous Revenues	5,989	2,856
TOTAL REVENUES	$ 1,782,619	$ 1,227,444
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	$ 205,280	$ 2,227
Contracted Services	168,446	28,651
Purchased Water Service	326,994	
Purchased Wastewater Service	236,531	
Repairs and Maintenance	296,272	
Depreciation		
Other	108,687	4,633
Capital Outlay	221,959	
Developer Interest		
Debt Service:		
Bond Issuance Costs		
Bond Principal		385,000
Bond Interest		517,195
TOTAL EXPENDITURES/EXPENSES	$ 1,564,169	$ 937,706
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES	$ 218,450	$ 289,738
OTHER FINANCING SOURCES (USES)		
Transfers In(Out)	$ 63,379	$
Bond Discount		
Bond Premium		
Proceeds from Issuance of Long-Term Debt		53,938
TOTAL OTHER FINANCING SOURCES (USES)	$ 63,379	$ 53,938
NET CHANGE IN FUND BALANCES	$ 281,829	$ 343,676
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - AUGUST 1, 2020	1,367,725	1,096,774
FUND BALANCES/NET POSITION - JULY 31, 2021	$ 1,649,554	$ 1,440,450

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

Capital Projects Fund	Total	Adjustments	Statement of Activities
$	$ 2,038,517	$ (361)	$ 2,038,156
	247,413		247,413
	409,596		409,596
	91,998		91,998
	132,950		132,950
	63,915		63,915
	16,829	(35)	16,794
380	9,225		9,225
$ 380	$ 3,010,443	$ (396)	$ 3,010,047
$ 2,095	$ 209,602	$	$ 209,602
	197,097		197,097
	326,994		326,994
	236,531		236,531
	296,272		296,272
		758,339	758,339
76	113,396		113,396
3,422,554	3,644,513	(3,644,513)	
221,687	221,687		221,687
391,792	391,792		391,792
	385,000	(385,000)	
	517,195	45,351	562,546
$ 4,038,204	$ 6,540,079	$ (3,225,823)	$ 3,314,256
$ (4,037,824)	$ (3,529,636)	$ 3,225,427	$ (304,209)
$ (63,379)	$	$	$
(38,584)	(38,584)	38,584	
106,381	106,381	(106,381)	
4,246,062	4,300,000	(4,300,000)	
$ 4,250,480	$ 4,367,797	$ (4,367,797)	$ -0-
$ 212,656	$ 838,161	$ (838,161)	$
		(304,209)	(304,209)
506,777	2,971,276	(5,106,011)	(2,134,735)
$ 719,433	$ 3,809,437	$ (6,248,381)	$ (2,438,944)

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

WOODRIDGE MUNICIPAL UTILITY DISTRICT
OF MONTGOMERY COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JULY 31, 2021

Net Change in Fund Balances - Governmental Funds	$ 838,161
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.	(361)
Governmental funds report penalty and interest revenue on property taxes when collected. However, in the Statement of Activities, revenue is recorded when penalties and interest are assessed.	(35)
Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.	(758,339)
Governmental funds report capital expenditures as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by new purchases and the Statement of Activities is not affected.	3,644,513
Governmental funds report bond discounts and bond premiums as other financing sources/uses in the year paid. However, in the Statement of Net Position, the bond discounts and bond premiums are amortized over the life of the bonds and the current year amortized portion is recorded in the Statement of Activities.	(67,797)
Governmental funds report bond principal payments as expenditures. However, in the Statement of Net Position, bond principal payments are reported as decreases in long-term liabilities.	385,000
Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end.	(45,351)
Governmental funds report bond proceeds as other financing sources. Issued bonds increase long-term liabilities in the Statement of Net Position.	(4,300,000)
Change in Net Position - Governmental Activities	$ (304,209)

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

NOTE 1. CREATION OF DISTRICT

Woodridge Municipal Utility District of Montgomery County was created February 22, 2007, by order of the Texas Commission on Environmental Quality (the "Commission"), as a confirmation and reclamation district created under and essential to accomplishing the purposes of Section 59, Article XVI of the Texas Constitution. Pursuant to the provisions of Chapters 49 and 54 of the Texas Water Code, the District is empowered to purchase, operate and maintain all facilities, plants, and improvements necessary to provide water, sanitary sewer service, storm sewer drainage, irrigation, parks and recreation, solid waste collection and disposal, including recycling. The Board of Directors held its organizational meeting on August 13, 2007.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

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

Financial Statement Presentation

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

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

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

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

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

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

Government-Wide Financial Statements

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

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

The Statement of Activities is reported by adjusting the governmental fund types to report only items related to current year revenues and expenditures. Items such as capital outlay are allocated over their estimated useful lives as depreciation expense.

Fund Financial Statements

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds

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

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

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

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

Basis of Accounting

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

Property taxes considered available by the District and included in revenue include the taxes collected during the year and taxes collected after year-end, which were considered available to defray the expenditures of the current year. Deferred inflows of resources related to property tax revenues are those taxes which the District does not reasonable expect to be collected soon enough in the subsequent period to finance current expenditures.

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis. As of July 31, 2021, the Debt Service Fund owed the General Fund $2,948 for maintenance tax collections. During the current fiscal year, the Capital Projects Fund transferred $63,379 to the General Fund for bond issuance costs.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenditures in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset. Engineering fees and certain other costs are capitalized as part of the asset. Assets are capitalized if they have an original cost greater than $5,000 and a useful life over two years. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation over the estimated useful lives ranging from 10 to 45 years.

Budgeting

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

Pensions

A pension plan has not been established. The District does not have employees, except that the Internal Revenue Service has determined that directors are considered to be "employees" for federal payroll tax purposes only.

Measurement Focus

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

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

Fund balances in governmental funds are classified using the following hierarchy:

Nonspendable: amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The District does not have any nonspendable fund balances.

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

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

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

Unassigned: all other spendable amounts in the General Fund.

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

Accounting Estimates

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

NOTE 3. LONG-TERM DEBT

As of July 31, 2021, the District had $100,555,000 of authorized but unissued bonds for water, sewer and drainage facilities and refunding purposes and $9,000,000 of authorized but unissued bonds for parks and recreational facilities and refunding purposes. The bonds are payable from the proceeds of an ad valorem tax levied upon all property subject to taxation within the District, without limitation as to rate or amount.

The following is a summary of transactions regarding bonds payable for the year ended July 31, 2021:

	August 1, 2020	Additions	Retirements	July 31, 2021
Bonds Payable	$ 16,410,000	$ 4,300,000	$ 385,000	$ 20,325,000
Unamortized Discounts	(63,991)	(38,584)	(3,823)	(98,752)
Unamortized Premiums	114,525	106,381	7,805	213,101
Total Long-Term Liabilities	$ 16,460,534	$ 4,367,797	$ 388,982	$ 20,439,349

Amount Due Within One Year	$ 640,000
Amount Due After One Year	19,799,349
Total Bonds Payable	$ 20,439,349

As of July 31, 2021, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2022	$ 640,000	$ 593,107	$ 1,233,107
2023	795,000	568,231	1,363,231
2024	825,000	540,120	1,365,120
2025	835,000	509,694	1,344,694
2026	840,000	479,946	1,319,946
2027-2031	4,300,000	2,057,270	6,357,270
2032-2036	4,625,000	1,454,874	6,079,874
2037-2041	5,025,000	748,503	5,773,503
2042-2045	2,440,000	95,239	2,535,239
	$ 20,325,000	$ 7,046,984	$ 27,371,984

During the year ended July 31, 2021, the District levied an ad valorem debt service tax rate of $0.75 per $100 of assessed valuation, which resulted in a tax levy of $1,214,112 on the adjusted taxable valuation of $161,881,527 for the 2020 tax year. The bond resolutions require the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. See Note 7 for the maintenance tax levy.

NOTE 3. LONG-TERM DEBT (Continued)

	Series 2016	Series 2017	Series 2018
Amounts Outstanding – July 31, 2021	$4,495,000	$2,920,000	$2,635,000
Interest Rates	2.00% - 3.625%	3.00% - 4.00%	3.00% - 5.00%
Maturity Dates – Serially Beginning/Ending	September 1, 2021/2041	September 1, 2021/2042	September 1, 2021/2042
Interest Payment Dates	September 1 / March 1	September 1 / March 1	September 1 / March 1
Callable Dates	September 1, 2022*	September 1, 2023*	September 1, 2024*

* Or on any date thereafter, in whole or part, at a price of par value plus accrued interest to the date fixed for redemption. Series 2016 Term Bonds maturing on September 1, 2038 and 2041 are subject to mandatory redemption beginning September 1, 2037 and 2039, respectively. Series 2017 Term Bonds maturing on September 1, 2042, are subject to mandatory redemption beginning September 1, 2037. Series 2018 Term Bonds maturing on September 1, 2035, 2037, 2039 and 2042, are subject to mandatory redemption beginning September 1, 2034, 2036, 2038, and 2040, respectively.

	Series 2020	Series 2020A
Amounts Outstanding – July 31, 2021	$5,975,000	$4,300,000
Interest Rates	2.00% - 4.00%	2.00% - 4.50%
Maturity Dates – Serially Beginning/Ending	September 1, 2021/2043	September 1, 2022/2044
Interest Payment Dates	September 1 / March 1	September 1 / March 1
Callable Dates	September 1, 2025*	September 1, 2025*

* Series 2020 Term Bonds maturing on September 1, 2043 are subject to mandatory redemption beginning September 1, 2041. Series 2020A Term Bonds maturing on September 1, 2033 and 2044 are subject to mandatory redemption beginning September 1, 2032 and 2041, respectively.

NOTE 4. SIGNIFICANT BOND RESOLUTION AND LEGAL REQUIREMENTS

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

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

Series 2020A bond proceeds of $53,938 were deposited into the Debt Service Fund and restricted for the payment of bond interest.

NOTE 5. DEPOSITS AND INVESTMENTS

Deposits

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

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District's deposits was $1,616,396 and the bank balance was $1,793,646. The District was not exposed to custodial credit risk at year-end.

	Cash	Certificates of Deposit	Total
GENERAL FUND	$ 189,678	$ 936,371	$ 1,126,049
DEBT SERVICE FUND	59,772	188,958	248,730
CAPITAL PROJECTS FUND	241,617		241,617
TOTAL DEPOSITS	$ 491,067	$ 1,125,329	$ 1,616,396

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments

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

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

The District's Investment Policy is more restrictive than the Public Funds Investment Act and allows the District to only invest in the following investment types: (1) obligations of the United States or its agencies and instrumentalities, (2) certificates of deposit issued by a state or national bank domiciled in Texas, or a savings bank domiciled in Texas, or a state or federal credit union domiciled in Texas that is guaranteed or insured by the Federal Deposit Insurance Corporation or the national Credit Union Share Insurance Corporation or its successor; and secured by obligations that are authorized under the Investment Act, (3) repurchase agreements that comply with the Investment Act, and (4) TexPool, Texas Class, Logic and TexSTAR investment pools, provided they comply with the Investment Act.

Certificates of deposit are recorded at acquisition cost. The District invests in the Texas Short Term Asset Reserve Program ("TexSTAR"), an external public funds investment pool that is not SEC-registered. J. P. Morgan Investment Management Inc. provides investment management and Hilltop Securities Inc., provides participant services and marketing under an agreement with the TexSTAR Board of Directors. Custodial, fund accounting and depository services are provided by JPMorgan Chase Bank, N.A. and/or its subsidiary J.P. Morgan Investors Services Co. Investments held by TexSTAR are marked to market daily. The investments are considered to be Level I investments because their fair value is measured by quoted prices in active markets. The fair value of the District's position in the pool is the same as the value of the pool shares. There are no limitations or restrictions on withdrawals from TexSTAR.

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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

Fund and Investment Type	Fair Value	Maturities of Less Than 1 Year
GENERAL FUND		
TexSTAR	$ 572,777	$ 572,777
Certificate of Deposit	936,371	936,371
DEBT SERVICE FUND		
TexSTAR	1,202,584	1,202,584
Certificate of Deposit	188,958	188,958
CAPITAL PROJECTS FUND		
TexSTAR	477,816	477,816
TOTAL INVESTMENTS	$ 3,378,506	$ 3,378,506

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The District's investment in TexSTAR was rated AAAm by Standard and Poor's. The District also manages credit risk by investing in certificates of deposit covered by FDIC insurance and pledged collateral.

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

Restrictions

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

NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended July 31, 2021, is as follows:

	August 1, 2020	Increases	Decreases	July 31, 2021
Capital Assets Not Being Depreciated				
Land and Land Improvements	$ 1,572,659	$	$	$ 1,572,659
Construction in Progress	16,704		16,704	
Total Capital Assets Not Being Depreciated	$ 1,589,363	$ - 0 -	$ 16,704	$ 1,572,659
Capital Assets Subject to Depreciation				
Water System	$ 5,440,325	$ 88,573	$	$ 5,528,898
Wastewater System	8,894,868	114,325		9,009,193
Drainage System	16,348,194		657,256	15,690,938
General/Landscape	1,779,828			1,779,828
Total Capital Assets Subject to Depreciation	$ 32,463,215	$ 202,898	$ 657,256	$ 32,008,857
Less Accumulated Depreciation				
Water System	$ 538,113	$ 119,629	$	$ 657,742
Wastewater System	902,018	206,496		1,108,514
Drainage System	1,743,126	286,535		2,029,661
General/Landscape	400,735	145,679		546,414
Total Accumulated Depreciation	$ 3,583,992	$ 758,339	$ - 0 -	$ 4,342,331
Total Depreciable Capital Assets, Net of Accumulated Depreciation	$ 28,879,223	$ (555,441)	$ 657,256	$ 27,666,526
Total Capital Assets, Net of Accumulated Depreciation	$ 30,468,586	$ (555,441)	$ 673,960	$ 29,239,185

NOTE 7. MAINTENANCE TAX

On November 6, 2007, the voters of the District approved the levy and collection of a maintenance tax not to exceed $1.50 per $100 of assessed valuation of taxable property within the District. This maintenance tax is to be used by the General Fund to pay expenditures of operating the District's waterworks and wastewater system. During the current fiscal year, the District levied an ad valorem maintenance tax rate of $0.51 per $100 of assessed valuation, which resulted in a tax levy of $825,596 on the adjustable taxable valuation of $161,881,527 for the 2020 tax year.

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

NOTE 8. UNREIMBURSED COSTS

The District has executed financing agreements with Developers which call for the Developers to make operating advances as well as fund costs associated with the construction of water, sewer, and drainage facilities and parks and recreational facilities. As reflected in the Statement of Net Position, $14,815,466 has been recorded as a liability for operating advances made by Developers as well as completed facilities financed by Developers which the District now operates and maintains. Reimbursement to the Developers will come from future bond sales.

Due to Developers, August 1, 2020	$ 18,931,041
Current Year Additions	-0-
Current Year Reimbursements	4,115,575
Due to Developers, July 31, 2021	$ 14,815,466

NOTE 9. WATER SERVICE AGREEMENT WITH PORTER SUD

Porter Special Utility District ("Porter SUD") holds a Certificate of Convenience and Necessity ("CCN") which grants it authority over the provision of water supply service to the land in the District. Porter SUD and the District have entered into a Contract for Wholesale Water Service, as amended (the "Water Contract"), that provides the terms and conditions under which Porter SUD will provide wholesale potable water supply to the District. Subject to certain notification and reservation requirements set forth in the Water Contract, Porter SUD will provide sufficient water supply capacity to meet the District's total projected demand at full development, which, according to the Engineer, is estimated to be 1,733 equivalent single-family connections ("ESFCs"). The District has requested capacity to serve 1,000 ESFCs and may make additional capacity requests every six months up to a total of 2,400 ESFCs of water capacity.

The District (or the Developers on behalf of the District) will pay Porter SUD an impact fee on a per connection basis in accordance with the Porter SUD impact fee schedule, which is currently $2,100 per 3/4" meter size. Porter SUD is responsible for the cost of operating and maintaining its water supply facilities. The District pays Porter SUD wholesale water rates, as established from time to time by Porter SUD, per thousand gallons of water received to provide service to the District. The District, at its sole cost and expense, is responsible for designing, constructing, operating and maintaining all internal facilities necessary to receive water supply from Porter SUD and provide service to the District's customers. During the current fiscal year, the District incurred purchased water costs of $326,994.

NOTE 10. WASTEWATER TREATMENT AGREEMENT WITH PORTER MUD

Porter Municipal Utility District ("Porter MUD") holds a CCN which grants it authority over the provision of wastewater treatment service to the land in the District. Porter MUD owns and operates a 1.6 million gallon per day wastewater treatment plant. Porter MUD and the District have entered into a Wastewater Treatment Capacity Agreement, as amended ("the Wastewater Agreement"), to provide the terms and conditions for the supply of wastewater treatment capacity to the District. Subject to certain notification and reservation requirements set forth in the Wastewater Agreement, Porter MUD will provide sufficient wastewater capacity to meet the District's total projected demand at full development, which is estimated to be 1,733 ESFCs. The District (or the Developers on behalf of the District) will pay Porter MUD an impact fee on a per connection basis, which is currently $3,042 per ESFC. The District has requested capacity to serve 600 ESFC and may request up to 300 ESFCs every three months up to 2,300 ESFCs. Porter MUD is responsible for the cost of operating and maintaining its wastewater treatment plant. The District pays Porter MUD a flat sewer rate in addition to an administrative charge and additional maintenance charge, as established from time to time by Porter MUD, to provide wastewater treatment service to the District. The District, at its sole cost and expense, is responsible for designing, constructing, operating and maintaining all internal facilities necessary to collect wastewater from its customers and deliver it to Porter MUD's wastewater treatment plant. During the current fiscal year, the District incurred purchased sewer costs of $236,531.

NOTE 11. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error and omission; and natural disasters. The District carries commercial insurance for its fidelity bonds and participates in the Texas Municipal League Intergovernmental Risk Pool (TML) to provide general liability, pollution liability, auto liability, and director's liability coverage. The District, along with other participating entities, contributes annual amounts determined by TML's management. As claims arise, they are submitted and paid by TML. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 12. LONE STAR GROUNDWATER CONSERVATION DISTRICT

The District is located within the boundaries of the Lone Star Groundwater Conservation District (the "Conservation District"). The Conservation District was created under Article 16, Section 59 of the Texas Constitution by House Bill 2362 (the "Act"), as passed by the 77th Texas Legislature, in 2001. The Conservation District was created to conserve, protect, and enhance the groundwater resources of Montgomery County, Texas. The Conservation District charges production fees based on the amount of water authorized by permit to be withdrawn from a well.

NOTE 13. BOND SALE

On December 17, 2020, the District closed on the sale of its $4,300,000 Series 2020A Unlimited Tax Bonds. Proceeds from the bonds were used to finance construction and engineering costs related to the following projects: clearing and grubbing; water, wastewater and drainage facilities serving Woodridge Forest, Section 4; Woodridge Forest phase 3 drainage improvements; water impact fees; wastewater capital recovery fees; and stormwater pollution prevention planning. Bond proceeds were also used to pay developer interest, bond issuance costs, and provide for capitalized interest.

NOTE 14. ECONOMIC UNCERTAINTIES

On March 11, 2020, the World Health Organization declared the COVID-19 virus a global pandemic. Since that time, the District has not experienced any decrease in property values, unusual tax delinquencies, or interruptions to service as a result of COVID-19. The District will continue to carefully monitor the situation and evaluate the financial statement impact, if any, that results from the pandemic.

NOTE 15. USE OF SURPLUS FUNDS

On July 30, 2021, the Commission approved the use of surplus funds in the amount of $705,000 from the Series 2020 and Series 2020A Bond to reimburse the developer for costs associated with water, wastewater, and drainage facilities to serve Woodridge Forest, Section 4.

WOODRIDGE MUNICIPAL UTILITY DISTRICT OF MONTGOMERY COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

JULY 31, 2021

WOODRIDGE MUNICIPAL UTILITY DISTRICT
OF MONTGOMERY COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JULY 31, 2021

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	$ 800,000	$ 825,207	$ 25,207
Water and Wastewater Service	705,000	789,959	84,959
Impact/Capital Recovery Fees		91,998	91,998
Penalty and Interest	7,500	5,551	(1,949)
Tap Connection and Inspection Fees	120,000	63,915	(56,085)
Investment and Miscellaneous Revenues	10,000	5,989	(4,011)
TOTAL REVENUES	$ 1,642,500	$ 1,782,619	$ 140,119
EXPENDITURES			
Service Operations:			
Professional Fees	$ 225,500	$ 205,280	$ 20,220
Contracted Services	161,000	168,446	(7,446)
Purchased Water and Wastewater Service	525,000	563,525	(38,525)
Repairs and Maintenance	360,000	296,272	63,728
Other	154,250	108,687	45,563
Capital Outlay	100,000	221,959	(121,959)
TOTAL EXPENDITURES	$ 1,525,750	$ 1,564,169	$ (38,419)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 116,750	$ 218,450	$ 101,700
OTHER FINANCING SOURCES(USES)			
Transfers In	$ -0-	$ 63,379	$ 63,379
NET CHANGE IN FUND BALANCE	$ 116,750	$ 281,829	$ 165,079
FUND BALANCE - AUGUST 1, 2020	1,367,725	1,367,725	
FUND BALANCE - JULY 31, 2021	$ 1,484,475	$ 1,649,554	$ 165,079

See accompanying independent auditor's report.

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WOODRIDGE MUNICIPAL UTILITY DISTRICT
OF MONTGOMERY COUNTY

SUPPLEMENTARY INFORMATION – REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

JULY 31, 2021

WOODRIDGE MUNICIPAL UTILITY DISTRICT
OF MONTGOMERY COUNTY
SERVICES AND RATES
FOR THE YEAR ENDED JULY 31, 2021

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

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

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

___ Other (specify): ______

2. RETAIL SERVICE PROVIDERS

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

Based on the rate order effective June 16, 2020.

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons over Minimum Use	Usage Levels
WATER:					
Residential	$19.50*	5,000	N	$ 2.50	5,001 to 10,000
				$ 3.00	10,001 and over
WASTEWATER:	$47.08**		Y		0 to 5,000
	$54.08**				5,001 to 10,000
	$61.08**				10,001 to 15,000
	$67.58**				15,001 to 20,000
	$83.58**				20,001 and over
SURCHARGE:					
Conservation District Fees	$ 0.135	per 1,000 gallons			
G.R.P. Fees	$ 2.000	per 1,000 gallons			

*Includes TCEQ regulatory assessment
**Includes garbage service

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

Total monthly charges per 10,000 gallons usage: Water: $32.00 Wastewater: $54.08 Surcharge: $21.35 Total: $107.43

See accompanying independent auditor's report.

WOODRIDGE MUNICIPAL UTILITY DISTRICT
OF MONTGOMERY COUNTY
SERVICES AND RATES
FOR THE YEAR ENDED JULY 31, 2021

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
Unmetered			x 1.0	
≤¾"	619	617	x 1.0	617
1"	19	19	x 2.5	48
1½"	12	12	x 5.0	60
2"	6	6	x 8.0	48
3"			x 15.0	
4"			x 25.0	
6"	1	1	x 50.0	50
8"	1	1	x 80.0	80
10"			x 115.0	
Total Water Connections	658	656		903
Total Wastewater Connections	640	638	x 1.0	638

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

Gallons billed to customers:	66,607,000	Water Accountability Ratio: 96.8% (Gallons billed/Gallons purchased)
Gallons purchased:	64,494,000	From: Porter Special Utility District

See accompanying independent auditor's report.

WOODRIDGE MUNICIPAL UTILITY DISTRICT
OF MONTGOMERY COUNTY
SERVICES AND RATES
FOR THE YEAR ENDED JULY 31, 2021

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

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

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

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes _X_ No ___

County in which District is located:

Montgomery County, Texas

Is the District located within a city?

Entirely ___ Partly ___ Not at all _X_

Is the district located within a City's extraterritorial jurisdiction (ETJ)?

Entirely _X_ Partly ___ Not at all ___

ETJ in which District is located:

City of Houston, Texas

Are Board Members appointed by an office outside the District?

Yes ___ No _X_

WOODRIDGE MUNICIPAL UTILITY DISTRICT
OF MONTGOMERY COUNTY
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED JULY 31, 2021

PROFESSIONAL FEES:		
Auditing	$	16,000
Engineering		70,686
Legal		118,594
TOTAL PROFESSIONAL FEES	$	205,280
PURCHASED SERVICES FOR RESALE:		
Purchased Water Service	$	326,994
Purchased Wastewater Service		236,531
TOTAL PURCHASED SERVICES FOR RESALE	$	563,525
CONTRACTED SERVICES:		
Bookkeeping	$	16,233
Operations and Billing		20,549
Solid Waste Disposal		131,664
TOTAL CONTRACTED SERVICES	$	168,446
REPAIRS AND MAINTENANCE	$	296,272
ADMINISTRATIVE EXPENDITURES:		
Director Fees, Including Payroll Taxes	$	9,802
Insurance		13,547
Office Supplies and Postage		19,161
TOTAL ADMINISTRATIVE EXPENDITURES	$	42,510
CAPITAL OUTLAY	$	221,959
OTHER EXPENDITURES:		
Laboratory Fees	$	1,003
Tap Connection and Inspection Fees		30,360
Regulatory Assessment		3,218
Utilities		27,984
Other		3,612
TOTAL OTHER EXPENDITURES	$	66,177
TOTAL EXPENDITURES	$	1,564,169

See accompanying independent auditor's report.

WOODRIDGE MUNICIPAL UTILITY DISTRICT
OF MONTGOMERY COUNTY
INVESTMENTS
JULY 31, 2021

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
GENERAL FUND					
TexSTAR	XXXX2220	Varies	Daily	$ 572,777	$
Certificate of Deposit	XXXX0572	0.20%	09/06/21	212,044	168
Certificate of Deposit	XXXX1506	0.25%	07/17/22	241,203	23
Certificate of Deposit	XXXX5919	0.45%	07/20/22	241,564	33
Certificate of Deposit	XXXX0776	0.30%	07/20/22	241,560	22
TOTAL GENERAL FUND				$ 1,509,148	$ 246
DEBT SERVICE FUND					
TexSTAR	XXXX3330	Varies	Daily	$ 1,202,584	$
Certificate of Deposit	XXXX5574	0.21%	03/17/22	188,958	148
TOTAL DEBT SERVICE FUND				$ 1,391,542	$ 148
CAPITAL PROJECTS FUND					
TexSTAR	XXXX4440	Varies	Daily	$ 477,816	$ - 0 -
TOTAL - ALL FUNDS				$ 3,378,506	$ 394

See accompanying independent auditor's report.

WOODRIDGE MUNICIPAL UTILITY DISTRICT
OF MONTGOMERY COUNTY
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED JULY 31, 2021

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE - AUGUST 1, 2020	$ 7,867		$ 8,383	
Adjustments to Beginning Balance	(1,551)	$ 6,316	(1)	$ 8,382
Original 2020 Tax Levy	$ 740,701		$ 1,089,266	
Adjustment to 2020 Tax Levy	84,895	825,596	124,846	1,214,112
TOTAL TO BE ACCOUNTED FOR		$ 831,912		$ 1,222,494
TAX COLLECTIONS:				
Prior Years	$ 4,649		$ 6,607	
Current Year	820,558	825,207	1,206,703	1,213,310
TAXES RECEIVABLE - JULY 31, 2021		$ 6,705		$ 9,184
TAXES RECEIVABLE BY YEAR:				
2020		$ 5,038		$ 7,409
2019		1,344		1,432
2018		323		343
TOTAL		$ 6,705		$ 9,184

See accompanying independent auditor's report.

WOODRIDGE MUNICIPAL UTILITY DISTRICT
OF MONTGOMERY COUNTY
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED JULY 31, 2021

	2020	2019	2018	2017
PROPERTY VALUATIONS:				
Land	$ 33,285,699	$ 32,607,159	$ 28,463,849	$ 23,700,161
Improvements	156,424,000	124,229,150	97,021,340	84,471,580
Personal Property	3,329,596	4,097,740	3,974,381	3,638,866
Exemptions	(31,157,768)	(30,244,815)	(26,662,064)	(25,956,325)
TOTAL PROPERTY VALUATIONS	$ 161,881,527	$ 130,689,234	$ 102,797,506	$ 85,854,282
TAX RATES PER $100 VALUATION:				
Debt Service	$ 0.75	$ 0.65	$ 0.65	$ 0.67
Maintenance	0.51	0.61	0.61	0.60
TOTAL TAX RATES PER $100 VALUATION	$ 1.26	$ 1.26	$ 1.26	$ 1.27
ADJUSTED TAX LEVY*	$ 2,039,708	$ 1,646,684	$ 1,295,248	$ 1,090,349
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	99.39 %	99.83 %	99.95 %	100.00 %

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

Maintenance Tax – Maximum tax rate of $1.50 per $100 of assessed valuation approved by the voters on November 6, 2007.

See accompanying independent auditor's report.

WOODRIDGE MUNICIPAL UTILITY DISTRICT OF MONTGOMERY COUNTY
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2021

	S E R I E S - 2 0 1 6		
Due During Fiscal Years Ending July 31	Principal Due September 1	Interest Due September 1/ March 1	Total
2022	$ 140,000	$ 143,800	$ 283,800
2023	145,000	140,950	285,950
2024	150,000	137,250	287,250
2025	160,000	132,600	292,600
2026	165,000	127,725	292,725
2027	170,000	122,700	292,700
2028	180,000	117,450	297,450
2029	185,000	111,975	296,975
2030	190,000	106,350	296,350
2031	200,000	100,375	300,375
2032	205,000	93,919	298,919
2033	215,000	87,094	302,094
2034	225,000	79,943	304,943
2035	235,000	72,321	307,321
2036	245,000	64,222	309,222
2037	255,000	55,625	310,625
2038	265,000	46,525	311,525
2039	275,000	37,075	312,075
2040	285,000	27,097	312,097
2041	295,000	16,585	311,585
2042	310,000	5,619	315,619
2043			
2044			
2045			
	$ 4,495,000	$ 1,827,200	$ 6,322,200

See accompanying independent auditor’s report.

WOODRIDGE MUNICIPAL UTILITY DISTRICT
OF MONTGOMERY COUNTY
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2021

	SERIES-2017		
Due During Fiscal Years Ending July 31	Principal Due September 1	Interest Due September 1/ March 1	Total
2022	$ 130,000	$ 100,125	$ 230,125
2023	130,000	96,225	226,225
2024	130,000	92,325	222,325
2025	130,000	88,425	218,425
2026	130,000	84,526	214,526
2027	130,000	80,625	210,625
2028	130,000	76,725	206,725
2029	130,000	72,744	202,744
2030	130,000	68,600	198,600
2031	130,000	64,294	194,294
2032	135,000	59,737	194,737
2033	135,000	54,927	189,927
2034	135,000	50,034	185,034
2035	135,000	45,055	180,055
2036	135,000	39,994	174,994
2037	135,000	34,931	169,931
2038	135,000	29,700	164,700
2039	135,000	24,300	159,300
2040	135,000	18,900	153,900
2041	135,000	13,500	148,500
2042	135,000	8,100	143,100
2043	135,000	2,700	137,700
2044			
2045			
	$ 2,920,000	$ 1,206,492	$ 4,126,492

See accompanying independent auditor's report.

WOODRIDGE MUNICIPAL UTILITY DISTRICT
OF MONTGOMERY COUNTY
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2021

	S E R I E S - 2 0 1 8		
Due During Fiscal Years Ending July 31	Principal Due September 1	Interest Due September 1/ March 1	Total
2022	$ 120,000	$ 102,088	$ 222,088
2023	120,000	96,088	216,088
2024	120,000	90,388	210,388
2025	120,000	85,138	205,138
2026	120,000	80,788	200,788
2027	120,000	77,187	197,187
2028	120,000	73,438	193,438
2029	120,000	69,387	189,387
2030	120,000	65,038	185,038
2031	120,000	60,537	180,537
2032	120,000	56,038	176,038
2033	120,000	51,387	171,387
2034	120,000	46,588	166,588
2035	120,000	41,787	161,787
2036	120,000	36,988	156,988
2037	120,000	32,187	152,187
2038	120,000	27,388	147,388
2039	120,000	22,512	142,512
2040	120,000	17,563	137,563
2041	120,000	12,537	132,537
2042	120,000	7,437	127,437
2043	115,000	2,444	117,444
2044			
2045			
	$ 2,635,000	$ 1,154,933	$ 3,789,933

See accompanying independent auditor’s report.

WOODRIDGE MUNICIPAL UTILITY DISTRICT
OF MONTGOMERY COUNTY
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2021

	S E R I E S - 2 0 2 0		
Due During Fiscal Years Ending July 31	Principal Due September 1	Interest Due September 1/ March 1	Total
2022	$ 250,000	$ 139,219	$ 389,219
2023	250,000	130,469	380,469
2024	250,000	122,969	372,969
2025	250,000	114,219	364,219
2026	250,000	105,469	355,469
2027	250,000	99,219	349,219
2028	250,000	94,219	344,219
2029	250,000	89,219	339,219
2030	250,000	84,219	334,219
2031	250,000	79,219	329,219
2032	250,000	74,218	324,218
2033	250,000	69,218	319,218
2034	250,000	64,218	314,218
2035	250,000	59,218	309,218
2036	275,000	53,968	328,968
2037	275,000	48,297	323,297
2038	275,000	42,453	317,453
2039	275,000	36,438	311,438
2040	275,000	30,250	305,250
2041	275,000	23,890	298,890
2042	275,000	17,188	292,188
2043	275,000	10,313	285,313
2044	275,000	3,438	278,438
2045			
	$ 5,975,000	$ 1,591,547	$ 7,566,547

See accompanying independent auditor’s report.

WOODRIDGE MUNICIPAL UTILITY DISTRICT
OF MONTGOMERY COUNTY
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2021

	SERIES-2020A		
Due During Fiscal Years Ending July 31	Principal Due September 1	Interest Due September 1/ March 1	Total
2022	$	$ 107,875	$ 107,875
2023	150,000	104,499	254,499
2024	175,000	97,188	272,188
2025	175,000	89,312	264,312
2026	175,000	81,438	256,438
2027	175,000	75,750	250,750
2028	175,000	72,250	247,250
2029	175,000	68,750	243,750
2030	175,000	65,250	240,250
2031	175,000	61,750	236,750
2032	175,000	58,250	233,250
2033	175,000	54,750	229,750
2034	200,000	51,000	251,000
2035	200,000	47,000	247,000
2036	200,000	43,000	243,000
2037	200,000	38,875	238,875
2038	200,000	34,625	234,625
2039	200,000	30,250	230,250
2040	200,000	25,750	225,750
2041	200,000	21,250	221,250
2042	200,000	16,625	216,625
2043	200,000	11,875	211,875
2044	200,000	7,125	207,125
2045	200,000	2,375	202,375
	$ 4,300,000	$ 1,266,812	$ 5,566,812

See accompanying independent auditor's report.

WOODRIDGE MUNICIPAL UTILITY DISTRICT
OF MONTGOMERY COUNTY
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2021

Due During Fiscal Years Ending July 31	ANNUAL REQUIREMENTS FOR ALL SERIES		
	Total Principal Due	Total Interest Due	Total Principal Interest Due
2022	$ 640,000	$ 593,107	$ 1,233,107
2023	795,000	568,231	1,363,231
2024	825,000	540,120	1,365,120
2025	835,000	509,694	1,344,694
2026	840,000	479,946	1,319,946
2027	845,000	455,481	1,300,481
2028	855,000	434,082	1,289,082
2029	860,000	412,075	1,272,075
2030	865,000	389,457	1,254,457
2031	875,000	366,175	1,241,175
2032	885,000	342,162	1,227,162
2033	895,000	317,376	1,212,376
2034	930,000	291,783	1,221,783
2035	940,000	265,381	1,205,381
2036	975,000	238,172	1,213,172
2037	985,000	209,915	1,194,915
2038	995,000	180,691	1,175,691
2039	1,005,000	150,575	1,155,575
2040	1,015,000	119,560	1,134,560
2041	1,025,000	87,762	1,112,762
2042	1,040,000	54,969	1,094,969
2043	725,000	27,332	752,332
2044	475,000	10,563	485,563
2045	200,000	2,375	202,375
	$ 20,325,000	$ 7,046,984	$ 27,371,984

See accompanying independent auditor's report.

WOODRIDGE MUNICIPAL UTILITY DISTRICT
OF MONTGOMERY COUNTY
CHANGES IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED JULY 31, 2021

Description	Original Bonds Issued	Bonds Outstanding August 1, 2020
Woodridge Municipal Utility District of Montgomery County Unlimited Tax Bonds - Series 2016	$ 5,000,000	$ 4,630,000
Woodridge Municipal Utility District of Montgomery County Unlimited Tax Bonds - Series 2017	3,310,000	3,050,000
Woodridge Municipal Utility District of Montgomery County Unlimited Tax Bonds - Series 2018	2,860,000	2,755,000
Woodridge Municipal Utility District of Montgomery County Unlimited Tax Bonds - Series 2020	5,975,000	5,975,000
Woodridge Municipal Utility District of Montgomery County Unlimited Tax Bonds - Series 2020A	4,300,000	
TOTAL	$ 21,445,000	$ 16,410,000

Bond Authority:	Tax Bonds*	Park Bonds*
Amount Authorized by Voters	$ 122,000,000	$ 9,000,000
Amount Issued	21,445,000	
Remaining to be Issued	$ 100,555,000	$ 9,000,000

* Includes refunding bond authorization

See accompanying independent auditor's report.

Current Year Transactions				
	Retirements			
Bonds Sold	Principal	Interest	Bonds Outstanding July 31, 2021	Paying Agent
$	$ 135,000	$ 146,550	$ 4,495,000	The Bank of New York Mellon Trust Company, NA Dallas, TX
	130,000	103,376	2,920,000	The Bank of New York Mellon Trust Company, NA Dallas, TX
	120,000	108,087	2,635,000	The Bank of New York Mellon Trust Company, NA Dallas, TX
		137,008	5,975,000	The Bank of New York Mellon Trust Company, NA Dallas, TX
4,300,000		22,174	4,300,000	The Bank of New York Mellon Trust Company, NA Dallas, TX
$ 4,300,000	$ 385,000	$ 517,195	$ 20,325,000	

Debt Service Fund cash and investment balances as of July 31, 2021:	$ 1,451,314
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 1,140,499

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

See accompanying independent auditor’s report.

WOODRIDGE MUNICIPAL UTILITY DISTRICT
OF MONTGOMERY COUNTY
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - FIVE YEARS

	Amounts		
	2021	2020	2019
REVENUES			
Property Taxes	$ 825,207	$ 799,744	$ 623,626
Water Service	247,413	242,549	196,493
Wastewater Service	409,596	359,142	286,781
Impact/Capital Recovery Fees	91,998	106,524	318,972
Groundwater Reduction Plan Fees	132,950	134,115	106,438
Tap Connection and Inspection Fees	63,915	125,885	135,270
Penalty and Interest	5,551	7,678	5,000
Investment and Miscellaneous Revenues	5,989	38,931	24,541
TOTAL REVENUES	$ 1,782,619	$ 1,814,568	$ 1,697,121
EXPENDITURES			
Professional Fees	$ 205,280	$ 240,051	$ 186,748
Contracted Services	168,446	149,239	145,395
Purchased Water Service	326,994	276,980	226,720
Purchased Wastewater Service	236,531	211,258	175,874
Repairs and Maintenance	296,272	259,008	296,593
Other	108,687	157,251	133,692
Capital Outlay	221,959	318,652	389,955
Bond Issuance Costs		38,942	34,943
TOTAL EXPENDITURES	$ 1,564,169	$ 1,651,381	$ 1,589,920
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 218,450	$ 163,187	$ 107,201
OTHER FINANCING SOURCES (USES)			
Transfers In(Out)	$ 63,379	$ 53,742	$ 44,368
NET CHANGE IN FUND BALANCE	$ 281,829	$ 216,929	$ 151,569
BEGINNING FUND BALANCE	1,367,725	1,150,796	999,227
ENDING FUND BALANCE	$ 1,649,554	$ 1,367,725	$ 1,150,796

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2018	2017	2021	2020	2019	2018	2017
$ 511,880	$ 655,044	46.2 %	44.1 %	36.7 %	30.3 %	42.1 %
178,327	168,543	13.9	13.4	11.6	10.5	10.8
244,178	195,133	23.0	19.8	16.9	14.4	12.5
482,490	332,089	5.2	5.9	18.8	28.5	21.3
108,694	102,713	7.5	7.4	6.3	6.4	6.6
134,702	96,685	3.6	6.9	8.0	7.9	6.2
3,913	5,059	0.3	0.4	0.3	0.2	0.3
30,181	2,684	0.3	2.1	1.4	1.8	0.2
$ 1,694,365	$ 1,557,950	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
$ 133,771	$ 160,891	11.5 %	13.2 %	11.0 %	7.9 %	10.3 %
115,145	99,893	9.4	8.2	8.6	6.8	6.4
224,893	204,649	18.3	15.3	13.4	13.3	13.1
153,872	110,205	13.3	11.6	10.4	9.1	7.1
257,216	202,119	16.6	14.3	17.5	15.2	13.0
123,108	155,959	6.1	8.7	7.9	7.3	10.0
457,164	230,963	12.5	17.6	23.0	27.0	14.8
33,944			2.1	2.1	2.0	
$ 1,499,113	$ 1,164,679	87.7 %	91.0 %	93.9 %	88.6 %	74.7 %
$ 195,252	$ 393,271	12.3 %	9.0 %	6.1 %	11.4 %	25.3 %
$ - 0 -	$ - 0 -					
$ 195,252	$ 393,271					
803,975	410,704					
$ 999,227	$ 803,975					

See accompanying independent auditor’s report.

WOODRIDGE MUNICIPAL UTILITY DISTRICT
OF MONTGOMERY COUNTY
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND - FIVE YEARS

	Amounts		
	2021	2020	2019
REVENUES			
Property Taxes	$ 1,213,310	$ 852,252	$ 664,809
Penalty and Interest	11,278	11,174	11,968
Investment and Miscellaneous Revenues	2,856	8,966	11,086
TOTAL REVENUES	$ 1,227,444	$ 872,392	$ 687,863
EXPENDITURES			
Tax Collection Expenditures	$ 32,511	$ 30,125	$ 29,222
Debt Service Principal	385,000	365,000	255,000
Debt Service Interest and Fees	520,195	371,138	285,093
TOTAL EXPENDITURES	$ 937,706	$ 766,263	$ 569,315
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 289,738	$ 106,129	$ 118,548
OTHER FINANCING SOURCES (USES)			
Proceeds from Issuance of Long-Term Debt	$ 53,938	$ 72,109	$ 58,169
NET CHANGE IN FUND BALANCE	$ 343,676	$ 178,238	$ 176,717
BEGINNING FUND BALANCE	1,096,774	918,536	741,819
ENDING FUND BALANCE	$ 1,440,450	$ 1,096,774	$ 918,536
TOTAL ACTIVE RETAIL WATER CONNECTIONS	656	608	508
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	638	588	488

See accompanying independent auditor's report.

			Percentage of Total Revenues				
	2018	2017	2021	2020	2019	2018	2017
	$ 570,919	$ 283,685	98.9 %	97.7 %	96.7 %	96.8 %	94.3 %
	13,980	16,097	0.9	1.3	1.7	2.4	5.3
	4,656	1,332	0.2	1.0	1.6	0.8	0.4
	$ 589,555	$ 301,114	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
	$ 23,616	$ 24,757	2.6 %	3.5 %	4.2 %	4.0 %	8.2 %
	115,000		31.4	41.8	37.1	19.5	
	242,024	86,278	42.4	42.5	41.4	41.1	28.7
	$ 380,640	$ 111,035	76.4 %	87.8 %	82.7 %	64.6 %	36.9 %
	$ 208,915	$ 190,079	23.6 %	12.2 %	17.3 %	35.4 %	63.1 %
	$ - 0 -	$ 342,825					
	$ 208,915	$ 532,904					
	532,904						
	$ 741,819	$ 532,904					
	408	326					
	390	311					

See accompanying independent auditor's report.

WOODRIDGE MUNICIPAL UTILITY DISTRICT
OF MONTGOMERY COUNTY
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JULY 31, 2021

District Mailing Address - Woodridge Municipal Utility District of Montgomery County
c/o Allen Boone Humphries Robinson LLP
3200 Southwest Freeway, Suite 2600
Houston, TX 77027

District Telephone Number - (713) 860-6400

Board Members:	Term of Office (Elected or Appointed)	Fees of Office for the year ended July 31, 2021	Expense Reimbursements for the year ended July 31, 2021	Title
Joey Manning	05/2020 05/2024 (Elected)	$ 1,950	$ -0-	President
Noel Martinez II	05/2018 05/2022 (Elected)	$ 2,550	$ -0-	Vice President
Andy Ramirez	05/2020 05/2024 (Elected)	$ 2,100	$ -0-	Secretary
Jon Simmons	05/2018 05/2022 (Elected)	$ 2,250	$ -0-	Assistant Secretary

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

Submission date of most recent District Registration Form: July 31, 2020

The limit on Fees of Office that a Director may receive during a fiscal year is the maximum amount allowed by law as set by Board Resolution on August 13, 2007. Fees of Office are the amounts actually paid to a Director during the District's current fiscal year.

See accompanying independent auditor's report.

Consultants:	Date Hired	Fees / Compensation for the year ended July 31, 2021	Title
Allen Boone Humphries Robinson LLP	08/13/07	$ 122,784	General Counsel
		$ 126,805	Bond Counsel
McCall Gibson Swedlund Barfoot PLLC	07/26/10	$ 16,000	Auditor
		$ 13,500	Bond Related
Myrtle Cruz, Inc.	08/13/07	$ 21,584	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	04/09/13	$ 2,227	Delinquent Tax Attorney
Costello, Inc.	07/21/20	$ 94,304	Engineer
Masterson Advisors LLC	05/15/18	$ 89,293	Financial Advisor
Mary Jarmon	01/15/13	$ -0-	Investment Officer
Inframark LLC	11/15/07	$ 170,477	Operator
Utility Tax Service, LLC	12/12/07	$ 13,011	Tax Assessor/ Collector

See accompanying independent auditor's report.

APPENDIX B

Specimen Municipal Bond Insurance Policy

MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: $__________ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on]

Effective Date: _________

Risk Premium: $__________
Member Surplus Contribution: $ _________
Total Insurance Payment: $_________

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

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

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

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

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: ____
Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
200 Liberty Street, 27th floor
New York, New York 10281
Telecopy:
212-962-1524 (attention: Claims)