OFFICIAL STATEMENT DATED DECEMBER 4, 2023

In the opinion of Bond Counsel, under existing law, assuming continuing compliance by the District (defined herein) after the date of initial delivery of the Bonds described below (the "Bonds") with certain covenants contained in the Bond Order (defined below) authorizing the Bonds and subject to the matters set forth under "TAX MATTERS" herein, interest on the Bonds for federal income tax purposes under existing statutes, regulations, published rulings, and court decisions (1) will be excludable from the gross income of the owners thereof pursuant to section 103 of the Internal Revenue Code of 1986, as amended to the date of initial delivery of the Bonds (the "Code"), and (2) will not be an item of tax preference for purposes of the alternative minimum tax; however, such interest may be taken into account in determining the "annual adjusted financial statement income" (as defined in section 56A of the Code) of "applicable corporations" (as defined in section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations. See "TAX MATTERS" herein. The Bonds will be designated as "qualified tax-exempt obligations" for financial institutions. See "TAX MATTERS—Qualified Tax-Exempt Obligations."

The Bonds will be designated as "qualified tax-exempt obligations" for financial institutions. See "TAX MATTERS—Qualified Tax-Exempt Obligations."

NEW ISSUE—Book Entry Only

NORTH PARKWAY MUNICIPAL MANAGEMENT DISTRICT NO. 1
(A political subdivision of the State of Texas, located within Collin County)

$3,055,000

SINGLE FAMILY DEFINED AREA NO. 1 UNLIMITED TAX ROAD BONDS,

SERIES 2023

Dated: December 15, 2023 **Due: September 1, as shown on inside cover**
Interest Accrues from Date of Delivery

The $3,055,000 Single Family Defined Area No. 1 Unlimited Tax Road Bonds, Series 2023 (the "Bonds") are obligations solely of North Parkway Municipal Management District No. 1 (the "District") and are not obligations of the State of Texas; Collin County, Texas (the "County"); the City of Celina, Texas (the "City"); or any political subdivision or entity other than the District. Neither the full faith and credit nor the taxing power of the State of Texas; the County; the City; or any entity other than the District is pledged to the payment of the principal of or the interest on the Bonds.

Principal of the Bonds is payable upon presentation at the principal payment office of the paying agent/registrar, initially, Computershare Trust Company, N.A., Minneapolis, Minnesota (the "Paying Agent/Registrar"). Interest on the Bonds accrues from the initial date of delivery, expected to be on or about December 29, 2023 (the "Date of Delivery"), and is payable March 1, 2024, and on each September 1 and March 1 thereafter (each an "Interest Payment Date") until the earlier of maturity or redemption. Interest on the Bonds will be payable by check dated as of the Interest Payment Date and mailed by the Paying Agent/Registrar to registered owners as shown on the records of the Paying Agent/Registrar at the close of business on the 15th calendar day of the month next preceding each Interest Payment Date. The Bonds are fully registered bonds in principal denominations of $5,000 or any integral multiple thereof.

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, in turn, will remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds as described herein. See "THE BONDS—Book-Entry-Only System."

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

The Bonds constitute the first series of unlimited tax bonds issued by the District for the purpose of acquiring or constructing a road system to serve the Single Family Defined Area, as defined herein (the "Single Family Defined Area Road System"), and, when issued, will constitute valid and binding obligations of the District payable from the proceeds of a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property within the Single Family Defined Area. After issuance of the Bonds, $243,222,730.00 principal amount of unlimited tax bonds for the Single Family Defined Area Road System will remain authorized but unissued. See "THE BONDS—Source of Payment."

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

The Bonds are offered, when, as and if issued by the District to the winning bidder of the Bonds (the "Initial Purchaser") subject, among other things, to the approval of the Attorney General of Texas and the opinion of Winstead PC, Bond Counsel. Certain legal matters will be passed upon for the District by Orrick, Herrington & Sutcliffe LLP, Houston, Texas, Disclosure Counsel. Delivery of the Bonds through the facilities of DTC is expected on or about December 29, 2023.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL REOFFERING YIELDS AND CUSIPS

$3,055,000 SINGLE FAMILY DEFINED AREA NO. 1 UNLIMITED TAX ROAD BONDS, SERIES 2023

$235,000 Serial Bonds

Maturity September	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 66144A (b)
2024	$95,000	5.000%	5.000%	AA3
2025	45,000	5.000%	5.000%	AB1
2026	45,000	5.000%	5.000%	AC9
2027	50,000	5.000%	5.000%	AD7

$220,000 Term Bonds due September 1, 2031 (c), 66144A AH8 (b), 5.250% Interest Rate, 5.25% Yield (a)

$270,000 Term Bonds due September 1, 2035 (c), 66144A AM7 (b), 5.500% Interest Rate, 5.500% Yield (a)

$330,000 Term Bonds due September 1, 2039 (c), 66144A AR6 (b), 5.750% Interest Rate, 5.750% Yield (a)

$2,000,000 Term Bonds due September 1, 2053 (c), 66144A BF1 (b), 6.000% Interest Rate, 6.000% Yield (a)

(a) The initial reoffering yield has been provided by the Initial Purchaser (herein defined) and represents the initial offering price to the public of a substantial amount of the Bonds for each maturity. Such initial reoffering yield may be changed for subsequent purchasers. The initial reoffering yields indicated above represent the lower of the yields resulting when priced to maturity or to the first call date.

(b) CUSIP numbers have been assigned to the Bonds by CUSIP Global Services, managed by FactSet Research Systems, Inc. on behalf of the American Bankers Association and are included solely for the convenience of the owners of the Bonds. None of the District, Financial Advisor (herein defined) or Initial Purchaser shall be responsible for the selection or the correctness of the CUSIP numbers.

(c) Bonds maturing on September 1, 2030, and thereafter, are subject to redemption prior to maturity at the option of the District, in whole or from time to time in part, on September 1, 2029, or any date thereafter at a price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption. The Term Bonds (as defined herein) are also subject to mandatory sinking fund redemption as more fully described herein. See "THE BONDS—Redemption Provisions."

USE OF 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 or the Initial Purchaser.

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

All of the summaries of the statutes, resolutions, orders, contracts, records, and 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 Winstead PC ("Bond Counsel"), for further information.

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

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

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SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the Bonds, the District has accepted the bid resulting in the lowest net interest cost, which was tendered by GMS Group (the "Initial Purchaser"). The Initial Purchaser has agreed to purchase the Bonds, bearing the interest rates shown under "MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL REOFFERING YIELDS AND CUSIPS" on the inside cover page of this Official Statement, at a price of 97.00% of the principal amount thereof, which resulted in a net effective interest rate of 6.089224%, calculated pursuant to Chapter 1204, Texas Government Code, as amended.

Prices and Marketability

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

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

Securities Laws

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

MUNICIPAL BOND INSURANCE AND RATINGS

The District has not made applications for a commitment to provide municipal bond insurance on the Bonds or a rating on the Bonds.

[Remainder of this page intentionally left blank.]

OFFICIAL STATEMENT SUMMARY

The following is a summary of certain information contained herein and is qualified in its entirety by the more detailed information and financial statements appearing elsewhere in this Official Statement. The offering of the Bonds to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this summary from this Official Statement or to otherwise use it without the entire Official Statement.

THE BONDS

The District	North Parkway Municipal Management District No. 1 (the "District"), a political subdivision of the State of Texas, located within Collin County. The District was originally created by special act of the 86th legislature of the State of Texas in 2019 as the North Celina Municipal Management District No. 3. On June 2, 2021, a Notice of Name Change was filed renaming the District. See "THE DISTRICT."
The Bonds	The District is issuing its $3,055,000 Single Family Defined Area No. 1 Unlimited Tax Road Bonds, Series 2023 (the "Bonds"). The Bonds are dated December 15, 2023 and mature on September 1 in the years 2024 through 2027, both inclusive, and on September 1 in the years 2031, 2035, 2039 and 2053 (the "Term Bonds") and in the principal amounts and paying interest at the rates set forth on the inside cover page hereof. Interest accrues from the date of delivery, expected on or about December 29, 2023, at the rates per annum set forth on the inside cover page and is payable on March 1, 2024, and on each September 1 and March 1 thereafter until stated maturity or earlier redemption. The Bonds are offered in fully registered form in integral multiples of $5,000 of principal for any one maturity. See "THE BONDS."
Redemption Provisions	Bonds maturing on and after September 1, 2030, are subject to redemption, in whole or from time to time in part, at the option of the District on September 1, 2029, and on any date thereafter at a price of par plus accrued interest from the most recent interest payment date to the date of redemption. The Term Bonds are also subject to mandatory sinking fund redemption as more fully described herein. See "THE BONDS—Redemption Provisions."
Source of Payment	Principal of and interest on the Bonds are payable from the proceeds of a continuing direct annual ad valorem tax, levied upon all taxable property within the Single Family Defined Area (defined herein) without legal limitation as to rate or amount. The Bonds are not secured by the proceeds of ad valorem taxes levied by the District upon taxable property that is located within the District but not within the Single Family Defined Area. The Bonds are obligations of the District and are not obligations of the State of Texas; Collin County, Texas (the "County"); the City of Celina, Texas (the "City"); or any other political subdivision or entity other than the District. See "THE BONDS— Source of Payment."
Payment Record	The Bonds constitute the first series of unlimited tax bonds issued by the District for the purpose of acquiring or constructing a Single Family Defined Area Road System (the "Single Family Defined Area Road System") to serve the Single Family Defined Area (the "Single Family Defined Area").
Authority for Issuance	The Bonds are issued pursuant to (i) Article III, Section 52 of the Texas Constitution; the general laws of the State of Texas, particularly Chapters 49 and 54 of the Texas Water Code, as amended, and Chapter 375, Texas Local Government Code, as amended; and Chapter 3986, Texas Special District Local Laws Code (the "District Legislation"); (ii) an order authorizing the issuance of the Bonds (the "Bond Order") adopted by the Board of Directors of the District on the date of the sale of the Bonds; and (iii) an election held within the Single Family Defined Area on May 6, 2023.

Outstanding Bonds .... The Bonds represent the District's first issuance of unlimited tax bonds that are secured by the proceeds of taxes levied upon taxable property located only within Single Family Defined Area No. 1.

The District has previously issued the following: (i) $81,175,000 Special Assessment Revenue Bonds, Series 2021 (Major Improvement Project) of which $81,175,000 principal amount remains outstanding as of September 1, 2023 (the "Outstanding 2021 MIP Bonds"), (ii) $13,300,000 Contract Revenue Bonds, Series 2021 (Legacy Hills Public Improvement District Phase #1A-1B Improvements) of which $13,023,000 principal amount remains outstanding as of September 1, 2023 (the "Outstanding 2021 Legacy Hills PID Bonds"), and (iii) $32,225,000 Special Assessment Revenue Bonds, Series 2022 (Major Improvement Project #2) of which $32,225,000 principal amount remains outstanding as of September 1, 2023 (the "Outstanding 2022 MIP #2 Bonds"). The Outstanding 2021 MIP Bonds, Outstanding 2021 Legacy Hills PID Bonds, and the Outstanding 2022 MIP #2 Bonds are collectively referred to herein as the "Outstanding District Bonds."

Use of Bond Proceeds................................... Proceeds from the sale of the Bonds will be used to reimburse the Master Developer (as defined herein) for road improvements as provided under "THE BONDS—Use and Distribution of Bond Proceeds." In addition, proceeds from the Bonds will be used to pay developer interest and certain other costs associated with the issuance of the Bonds. See "THE BONDS— Use and Distribution of Bond Proceeds."

Qualified Tax-Exempt Obligations................ The Bonds will be designated as "qualified tax-exempt obligations" for financial institutions. See "TAX MATTERS — Qualified Tax-Exempt Obligations."

Municipal Bond Insurance and Ratings......... The District has not made applications for neither a commitment to provide municipal bond insurance on the Bonds or a rating on the Bonds. See "MUNICIPAL BOND INSURANCE AND RATINGS."

Bond Counsel .... Winstead PC, Dallas, Texas.

Disclosure Counsel .... Orrick, Herrington & Sutcliffe LLP, Houston, Texas.

Financial Advisor .... SAMCO Capital Markets, Austin, Texas.

Paying Agent/Registrar................................. Computershare Trust Company, N.A., Minneapolis, Minnesota

THE DISTRICT

Description .... The District was created in 2019 by House Bill No. 4706, 86th Session of the Texas Legislature, Regular Session, codified as Chapter 3986, Texas Special District Local Laws Code (the "District Legislation") as a municipal management district. The rights, powers, privileges, authority, and functions of the District are established by the District Legislation and the general laws of the State of Texas pertaining to municipal management districts, municipal utility districts, and other types of special purpose districts, particularly Chapters 49 and 54 of the Texas Water Code, as amended, and Chapter 375, Texas Local Government Code, as amended, and Article XVI, Section 59, and Article III, Sections 52 and 52-a of the Texas Constitution. See "THE DISTRICT."

Single Family Defined Area .... On February 13, 2023 the Board of Directors of the District by resolution created "North Parkway MMD No. 1 – MMD SF Defined Area No. 1" (the "Single Family Defined Area") over approximately 1,422.998 acres of land within the District pursuant to the provisions of Subchapter J of Chapter 54 of the Texas Water Code for the purposes of purchasing, constructing, operating and maintaining a water, wastewater and storm drainage system, a Single Family Defined Area Road System and recreational improvements to serve the Single Family Defined Area. On May 6, 2023, voters within Single Family Defined Area authorized $194,327,781 principal amount of unlimited tax bonds for the purpose of purchasing, constructing, or otherwise acquiring a waterworks system, a sanitary sewer system and drainage and storm sewer system serving the Single Family Defined Area, and $242,909,762.00 for the refunding of such bonds; and $246,277,730.00 principal amount of unlimited tax bonds for the purpose of constructing, maintaining and operating macadamized, graveled or paved roads and turnpikes, or in aid thereto serving the Single Family Defined Area, and $307,847,162.00 for the refunding of such bonds. At such election held on May 6, 2023, voters within the Single Family Defined Area also authorized the levy of taxes to support such bonds and the levy of taxes for operation and maintenance of the Single Family Defined Area facilities. The Bonds represent the District's first issuance of road bonds serving the Single Family Defined Area from the voted authorization referenced above. Bonds issued for the Single Family Defined Area are payable solely from the proceeds of taxes levied and collected within the boundaries of the Single Family Defined Area and not on any other part of the District. See "THE BONDS—Source of Payment."

Location..The District is located within the municipal boundaries of the City and the County and originally contained approximately 3,236.601 acres of land, and after excluding certain property, currently includes approximately 3,210 acres of land. The Single Family Defined Area includes approximately 1,422.998 acres of land within the District.

Master Developer ....MM Celina 3200, LLC, a Texas limited liability company ("MM Celina" or the "Master Developer"), is the master developer of land within the District. See "THE MASTER DEVELOPER."

Development within the District....................The District is being developed as a mixed-use master planned development to be known as "Legacy Hills" which is expected to include up to approximately 6,882 single-family residential homes, approximately 4,100 multifamily residential units, and approximately 100 acres of commercial development located along the Dallas North Tollway in the City of Celina, Texas.

As of November 29, 2023, no single-family lots or multifamily lots have been completed and no acreage of commercial development has been completed. See "DEVELOPMENT OF THE DISTRICT—Status of Development within the District."

Development within the Single Family Defined Area ....The Single Family Defined Area is being developed to include up to approximately 5,480 lots within the subdivisions expected to be known as Arbors at Legacy Hills, Rise at Legacy Hills, The Bluffs at Legacy Hills, Enclave at Legacy Hills, Brookshire at Legacy Hills, Vines at Legacy Hills, and certain other subdivisions as part of the Legacy Hills development. As of November 29, 2023, no single-family lots or multifamily lots have been completed and no acreage of commercial development has been completed. The first lots are estimated to be complete during Q1 2024.

Pod Developers...The lots and the single-family residential homes within the Single Family Defined Area will be developed in pods by homebuilders, including Ashton Woods, Beazer Homes, First Texas Homes, Lennar Homes, Mattamy Homes, and Pulte. See "DEVELOPMENT OF THE DISTRICT—Pod Developers within the Single Family Defined Area."

INVESTMENT CONSIDERATIONS

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

SELECTED FINANCIAL INFORMATION
(UNAUDITED)

2023 Assessed Valuation of the Single Family Defined Area ("SFDA")	$	54,744,900 (a)
Direct Debt:		
The Bonds	$	3,055,000
Total	$	3,055,000
Estimated Overlapping Debt	$	9,532,216 (b)
Total Direct and Estimated Overlapping Debt	$	12,587,217 (b)
Direct Debt Ratio:		
As a percentage of 2023 Assessed Valuation of the Single Family Defined Area		5.58%
Direct and Estimated Overlapping Debt Ratio:		
As a percentage of 2023 Assessed Valuation of the Single Family Defined Area		22.99%
SFDA Road System Debt Service Fund (as of closing of the Bonds)	$	0 (c)
General Operating Fund Balance (as of November 16, 2023)	$	7,475 (d)
2023 Single Family Defined Area Tax Rate:		
Single Family Defined Area Road System Debt Service	$	0.000 (e)
Single Family Defined Area Utility System Debt Service	$	0.000 (e)
Maintenance & Operation	$	0.408
Total	$	0.408
Average Annual Debt Service Requirements on the Bonds (2024 – 2053)	$	215,506
Maximum Annual Debt Service Requirements on the Bonds (2035)	$	218,100
Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay Average Annual Debt Service Requirement on the Bonds (2024 – 2053):		
Based on 2023 Assessed Valuation of the Single Family Defined Area at 98% Collections	$	0.402
Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay Maximum Debt Service Requirement on the Bonds (2024 – 2053):		
Based on 2023 Assessed Valuation of the Single Family Defined Area at 98% Collections	$	0.407

(a) Represents the certified assessed valuation of all taxable property in the SFDA as of October 6, 2023, provided by the Collin County Appraisal District (the "Appraisal District"). See "TAX DATA" and "TAXING PROCEDURES."

(b) See "DISTRICT DEBT—Direct and Estimated Overlapping Debt Statement."

(c) Neither Texas law nor the Bond Order requires that the District maintain any particular sum in the SFDA Road System Debt Service Fund. Funds in the SFDA Road System Debt Service Fund are pledged only to pay the debt service on the Bonds and any other bonds issued for the purpose of acquiring or constructing the SFDA Road System (hereinafter defined). Funds in the SFDA Road System Debt Service Fund are not pledged to pay debt service on bonds issued for the purpose of acquiring or constructing the SFDA Utility System (hereinafter defined).

(d) See "INVESTMENT CONSIDERATIONS – Operating Fund."

(e) The District is authorized to levy separate taxes for payment of debt service on bonds issued by the District for the SFDA Road System and for payment of debt service on bonds issued for the SFDA Utility System; both such taxes are unlimited as to rate or amount See "TAX DATA—Tax Rate Calculations."

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OFFICIAL STATEMENT

relating to

NORTH PARKWAY MUNICIPAL MANAGEMENT DISTRICT NO. 1

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

$3,055,000

Single Family Defined Area No. 1 Unlimited Tax Road Bonds, Series 2023

INTRODUCTION

This Official Statement provides certain information in connection with the issuance by North Parkway Municipal Management District No. 1 (the "District") of its $3,055,000 Single Family Defined Area No. 1 Unlimited Tax Road Bonds, Series 2023 (the "Bonds").

The Bonds are issued pursuant to (i) Article III, Section 52 of the Texas Constitution; the general laws of the State of Texas, particularly Chapters 49 and 54 of the Texas Water Code, as amended, and Chapter 375, Texas Local Government Code, as amended; and Chapter 3986, Texas Special District Local Laws Code (the "District Legislation"); (ii) an order authorizing the issuance of the Bonds (the "Bond Order") adopted by the Board of Directors of the District on the date of the sale of the Bonds; and (iii) an election held within the Single Family Defined Area on May 6, 2023.

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

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

THE BONDS

General

The following is a description of certain terms and conditions of the Bonds, which description is qualified in its entirety by reference to the Bond Order approved by the Board authorizing the issuance of the Bonds. Copies of the Bond Order may be obtained from the District upon request and payment of the costs for duplication thereof. The Bond Order authorizes the issuance and sale of the Bonds and prescribes the terms, conditions, and provisions for the payment of the principal of and interest on the Bonds by the District.

The Bonds are dated December 15, 2023. Interest on the Bonds accrues from the initial date of delivery (on or about December 29, 2023) (the "Date of Delivery"), and is payable March 1, 2024, and each September 1 and March 1 thereafter (each an "Interest Payment Date") until the earlier of maturity or redemption.

The Bonds will be issued only in fully registered form in any integral multiples of $5,000 of principal amount for any one maturity and will be initially registered and delivered only to The Depository Trust Company, New York, New York ("DTC") in its nominee name of Cede & Co., pursuant to the book-entry-only system described herein. No physical delivery of the Bonds will be made to the owners thereof. Initially, principal of and interest on the Bonds will be payable by Computershare Trust Company, N.A., Minneapolis, Minnesota (the "Paying Agent/Registrar"), the Paying Agent/Registrar to Cede & Co., as registered owner. DTC will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "—Book-Entry-Only System" below.

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

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 without additional interest and with the same force and effect as if made on the specified date for such payment.

Book-Entry-Only System

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

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

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC.

DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a rating of AA+ from S&P Global Ratings. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

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

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

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

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

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to 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-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

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

Use of Certain Terms in Other Sections of this Official Statement

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

Successor Paying Agent/Registrar

Provisions are made in the Bond Order for replacing the Paying Agent/Registrar. If the District replaces the Paying Agent/Registrar, such Paying Agent/Registrar shall, promptly upon the appointment of a successor, deliver the Paying Agent/Registrar's records to the successor Paying Agent/Registrar, and the successor Paying Agent/Registrar shall act in the same capacity as the previous Paying Agent/Registrar. Any successor Paying Agent/Registrar selected by the District shall be a commercial bank; a trust company organized under the laws of the State of Texas; or other entity duly qualified and legally authorized to serve and perform the duties of the Paying Agent/Registrar for the Bonds.

Registration, Transfer and Exchange

In the event the Book-Entry-Only system is discontinued, the Bonds are transferable only on the bond register kept by the Paying Agent/Registrar upon surrender at the principal payment office of the Paying Agent/Registrar in Minneapolis, Minnesota. A Bond may be assigned by the execution of an assignment form on the Bonds or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. At any time after the date of initial delivery, any Bond may be transferred upon its presentation and surrender at the designated offices of the Paying Agent/Registrar, duly endorsed for transfer, or accompanied by an assignment duly executed by the Registered Owner. The Bonds are exchangeable upon presentation at the designated office(s) of the Paying Agent/Registrar, for an equal principal amount of Bonds of the same maturity in authorized denominations. To the extent possible, new Bonds issued in exchange or transfer of Bonds will be delivered to the Registered Owner or assignee of the Registered Owner within not more than three (3) business days after the receipt by the Paying Agent/Registrar of the request in proper form to transfer or exchange the Bonds. New Bonds registered and delivered in an exchange or transfer shall be in the denomination of $5,000 in principal amount for a Bond, or any integral multiple thereof for any one maturity and shall bear interest at the same rate and be for a like aggregate principal or maturity amount as the Bond or Bonds surrendered for exchange or transfer. Neither the Paying Agent/Registrar nor the District is required to issue, transfer, or exchange any Bond during a period beginning at the opening of business on a Record Date and ending at the close of business on the next succeeding Interest Payment Date or to transfer or exchange any Bond selected for redemption, in whole or in part, beginning fifteen (15) calendar days prior to, and ending on the date of the mailing of notice of redemption, or where such redemption is scheduled to occur within thirty (30) calendar days. No service charge will be made for any transfer or exchange, but the District or Paying Agent/Registrar may require payment of a sum sufficient to cover any tax or governmental charge payable in connection therewith.

Mutilated, Lost, Stolen or Destroyed Bonds

In the event the Book-Entry-Only System should be discontinued, the District has agreed to replace mutilated, destroyed, lost or stolen Bonds upon surrender of the mutilated Bonds to the Paying Agent/Registrar, or receipt of satisfactory evidence of such destruction, loss or theft, and receipt by the District and the Paying Agent/Registrar of security or indemnity which they determine to be sufficient to hold them harmless. The District may require payment of taxes, governmental charges, and other expenses in connection with any such replacement.

Redemption Provisions

Optional Redemption: Bonds maturing on September 1, 2030, and thereafter shall be subject to redemption and payment at the option of the District, in whole or from time to time in part, on September 1, 2029, or on any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. Notice of the exercise of the reserved right of redemption will be given at least thirty (30) days prior to the redemption date by sending such 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 bond register. If less than all of the Bonds are redeemed at any time, the maturities of the Bonds to be redeemed shall be selected by the District. If less than all of the Bonds of a certain maturity are to be redeemed, the particular Bonds or portions thereof to be redeemed will be selected by the Paying Agent/Registrar prior to the redemption date by such random method as the Paying Agent/Registrar deems fair and appropriate in integral multiples of $5,000 within any one maturity. The Registered Owner of any Bond, all, or a portion of which has been called for redemption, shall be required to present such Bond to the Paying Agent/Registrar for payment of the redemption price on the portion of the Bonds so called for redemption and issuance of a new Bond in the principal amount equal to the portion of such Bond not redeemed.

Mandatory Redemption: The Bonds maturing on September 1 in each of the years 2031, 2035, 2039 and 2053 are term bonds (the "Term Bonds"), which shall be redeemed by lot or other customary method of random selection (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form) prior to maturity, at a price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption (each a "Mandatory Redemption Date"), and in the principal amount set forth in the following schedules:

$220,000 Term Bonds Due September 1, 2031

Mandatory Redemption Date	Principal Amount
September 1, 2028	$50,000
September 1, 2029	55,000
September 1, 2030	55,000
September 1, 2031	60,000

$270,000 Term Bonds Due September 1, 2035

Mandatory Redemption Date	Principal Amount
September 1, 2032	$60,000
September 1, 2033	65,000
September 1, 2034	70,000
September 1, 2035	75,000

$330,000 Term Bonds Due September 1, 2039

Mandatory Redemption Date	Principal Amount
September 1, 2036	$75,000
September 1, 2037	80,000
September 1, 2038	85,000
September 1, 2039	90,000

$2,000,000 Term Bonds Due September 1, 2053

Mandatory Redemption Date	Principal Amount
September 1, 2040	$95,000
September 1, 2041	100,000
September 1, 2042	105,000
September 1, 2043	115,000
September 1, 2044	120,000
September 1, 2045	130,000
September 1, 2046	135,000
September 1, 2047	145,000
September 1, 2048	150,000
September 1, 2049	160,000
September 1, 2050	170,000
September 1, 2051	180,000
September 1, 2051	190,000
September 1, 2053	205,000

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

Source of Payment

The Bonds are payable from the proceeds of a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property located within the Single Family Defined Area. In the Bond Order, the District covenants to levy a sufficient tax over the Single Family Defined Area to pay principal of and interest on the Bonds, with full allowance being made for delinquencies, costs of collections, and certain fees. Tax proceeds, after deduction for collection costs, will be placed in the Single Family Defined Area Road System Debt Service Fund and used solely to pay principal of and interest on the Bonds, and additional bonds payable from taxes which may be issued.

The Bonds are obligations solely of the District and are not the obligations of the State of Texas; Collin County, Texas (the "County"); the City of Celina, Texas (the "City"); or any entity other than the District.

Authority for Issuance

The Bonds are issued pursuant to (i) Article III, Section 52 of the Texas Constitution; the general laws of the State of Texas, particularly Chapters 49 and 54 of the Texas Water Code, as amended, and Chapter 375, Texas Local Government Code, as amended; and Chapter 3986, Texas Special District Local Laws Code (the "District Legislation"); (ii) an order authorizing the issuance of the Bonds (the "Bond Order") adopted by the Board of Directors of the District on the date of the sale of the Bonds; and (iii) an election held within the Single Family Defined Area on May 6, 2023.

Voters of the District authorized the following principal amount of bonds to be issued by the District:

Election Date	Purpose	Amount Authorized	Issued to Date	Remaining Unissued
05/06/2023	Utility Bonds	$194,327,781	-	$194,327,781
05/06/2023	Utility Bond Refunding	$242,909,762	-	$242,909,762
05/06/2023	Road Bonds	$246,277,730	3,055,000[(1)]	$243,222,730
05/06/2023	Road Bond Refunding	$307,847,162	-	$307,847,162

[(1)] Includes the Bonds.

Issuance of Additional Debt

The District may issue additional bonds with the approval of the Texas Commission on Environmental Quality (the "TCEQ") (with respect to the bonds issued for the Single Family Defined Area Utility System) necessary to provide improvements and facilities consistent with the purposes for which the District was created. The Bonds represent the first series of bonds issued by the District for the purpose of acquiring or constructing the Single Family Defined Area Road System.

After issuance of the Bonds, the following principal amounts of unlimited tax bonds will remain authorized but unissued: a total of $243,222,730 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Single Family Defined Area Road System; $194,327,781 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Single Family Defined Area Utility System; $307,847,162 principal amount for the purpose of refunding bonds issued by the District for the Single Family Defined Area Road System; and $242,909,762 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Single Family Defined Area Utility System.

The District may also issue any additional bonds as may hereafter be approved by both the Board and voters of the District as well as certain additional bonds, revenue bonds, special project bonds, and other obligations as described in the Bond Order. The Bond Order imposes no limitation on the amount of additional parity bonds which may be issued by the District (if authorized by the District's voters and, in the case of bonds issued for the Single Family Defined Area Utility System, approved by the TCEQ).

Based on present engineering cost estimates and development plans, in the opinion of the District's Engineer, the remaining total $243,222,730 principal amount of authorized but unissued unlimited tax bonds for purpose of acquiring or constructing the Single Family Defined Area Road System will be sufficient to fully finance road facilities to serve the remaining undeveloped but developable land within the District and the $194,327,781 principal amount of authorized but unissued unlimited tax bonds for purpose of acquiring or constructing the Single Family Defined Area Utility System will be sufficient to fully finance utility facilities to serve the remaining undeveloped but developable land within the District.

Following the issuance of the Bonds, the District will owe the Master Developer approximately $255,729.39 for expenditures to construct the Single Family Defined Area Road System. Such expenditures are expected to increase as development continues within the District.

Outstanding District Bonds

The District has previously issued the following: (i) $81,175,000 Special Assessment Revenue Bonds, Series 2021 (Major Improvement Project) of which $81,175,000 principal amount remains outstanding as of September 1, 2023 (the "Outstanding 2021 MIP Bonds"), (ii) $13,300,000 Contract Revenue Bonds, Series 2021 (Legacy Hills Public Improvement District Phase #1A-1B Improvements) of which $13,023,000 principal amount remains outstanding as of September 1, 2023 (the "Outstanding 2021 Legacy Hills PID Bonds"), and (iii) $32,225,000 Special Assessment Revenue Bonds, Series 2022 (Major Improvement Project #2) of which $32,225,000 principal amount remains outstanding as of September 1, 2023 (the "Outstanding 2022 MIP #2 Bonds").

The Outstanding 2021 MIP Bonds, Outstanding 2021 Legacy Hills PID Bonds, and the Outstanding 2022 MIP #2 Bonds are collectively referred to herein as the "Outstanding District Bonds."

No Arbitrage

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

Dissolution

The District lies wholly within the city limits of the City. Under existing law, the District may be dissolved by the City. The City may not dissolve the District until (1) the development of 90% of all lots within the District or (2) the District has issued all of its ad valorem bonds and reimbursed the Master Developer (hereinafter defined), to the maximum extent permitted by law, for the Master Developer's cost in installing and constructing improvements within the District. If the District is dissolved, the City must assume the District's assets and obligations (including the Bonds) on the effective date of the dissolution of the District.

Consolidation

A district (such as the District) has the legal authority to consolidate with other districts and, in connection therewith, to provide for the consolidation of its assets, such as cash and the utility system, with the water and wastewater system of districts with which it is consolidating as well as its liabilities (which would include the Bonds). No representation is made concerning the likelihood of consolidation, but the District currently has no plans to do so.

Funds

The Bond Order confirms the District's fund for debt service on the Bonds and any additional unlimited tax bonds issued by the District for the Single Family Defined Area Road System (the "Single Family Defined Area Road System Debt Service Fund"). The Single Family Defined Area Road System Debt Service Fund, which constitutes a trust fund for the benefit of the owners of the Bonds and any additional unlimited tax bonds issued by the District for the Single Family Defined Area Road System, is to be kept separate from all other funds of the District and is to be used for payment of debt service on the Bonds and any of the District's other duly authorized bonds issued for the Single Family Defined Area Road System payable in whole or in part from taxes. Amounts on deposit in the Single Family

Defined Area Road System Debt Service Fund may also be used to pay the fees and expenses of the Paying Agent/Registrar, to defray the expenses of assessing and collecting taxes levied for payment of interest on and principal of the Bonds and any additional bonds for the Single Family Defined Area Road System payable in whole or in part from taxes, and to pay any tax anticipation notes issued, together with interest thereon, as such tax anticipation notes become due. The District is authorized to levy separate taxes for payment of debt service on bonds issued by the District for the Single Family Defined Area Road System and for payment of debt service on bonds issued for the Single Family Defined Area Utility System. Amounts on deposit in the Single Family Defined Area Road System Debt Service Fund may not be used to pay debt service on bonds issued by the District for the Single Family Defined Area Utility System. Similarly, amounts on deposit in the Single Family Defined Area Utility System debt service fund may not be used to pay debt service on bonds issued by the District for the Single Family Defined Area Road System

Defeasance

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

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

Legal Investment and Eligibility to Secure Public Funds in Texas

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

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

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

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

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

Registered Owners' Remedies

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

Statutory language authorizing local governments such as the District to sue and be sued does not waive the local government's sovereign immunity from suits for money damages, so that in the absence of other waivers of such immunity by the Texas Legislature, a default by the District in its covenants in the Bond Order may not be reduced to a judgment for money damages. If such a judgment against the District were obtained, it could not be enforced by direct levy and execution against the District's property. Further, the Registered Owners cannot themselves foreclose on property within the District or sell property within the District to enforce the tax lien on taxable property to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the Registered Owners may further be limited by a State of Texas statute reasonably required to attain an important public purpose or by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions, such as the District.

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Use and Distribution of Bond Proceeds

Proceeds from the sale of the Bonds will be used to reimburse the Master Developer for road improvements serving the Single Family Defined Area as listed below. In addition, proceeds from the Bonds will be used to pay developer interest, , and certain other costs associated with the issuance of the Bonds.

<u>**Construction Costs**</u>		<u>**District Share**</u>
A. Master Developer Contribution Items – MM Celina 3200		
1. None		
Total Master Developer Contribution Items	**$**	**0.00**
B. District Items – Home		
1. Del Webb Legacy Hills - Paving	$	2,747,237.61
Total District Items	**$**	**2,747,237.61**
TOTAL CONSTRUCTION COSTS (89.93% of BIR)	**$**	**2,747,237.61**
<u>Non-Construction Costs</u>		
A Developer Interest	$	47,282.39
B. Net Original Issue Discount	$	0
B. Underwriter's Discount (3.00%)	$	91,650.00
B. Bond Counsel (2.53%)	$	77,375.00
C. Financial Advisor (2.00%)	$	61,100.00
D. Disclosure Counsel	$	25,000.00
E. Paying Agent Acceptance Fee	$	0.00
F. Paying Agent Upfront Annual Fee	$	750.00
G. Paying Agent Counsel	$	0.00
G. Printer	$	1,500.00
G. Attorney General Fee (0.10%)	$	3,105.00
	$	
TOTAL NON-CONSTRUCTION COSTS (10.07% of BIR)	**$**	**307,762.39**
TOTAL BOND ISSUE REQUIREMENT	**$**	**3,055,000.00**

In the instance that estimated amounts exceed the actual costs, the difference comprises a surplus which may be expended for approved uses. In the instance that actual costs exceed previously approved estimated amounts and contingencies, the issuance of additional bonds may be required. However, the District cannot and does not guarantee the sufficiency of such funds for such purposes.

THE DISTRICT

General

The District was created in 2019 by House Bill No. 4706, 86th Session of the Texas Legislature, Regular Session, as a municipal management district, codified by the District Legislation. The rights, powers, privileges, authority, and functions of the District are established by the District Legislation, the general laws of the State of Texas pertaining to special districts, particularly Chapters 49 and 54 of the Texas Water Code, as amended, and Chapter 375, Local Texas Government Code, as amended, and Article XVI, Section 59 and Article III, Sections 52 and 52-a of the Texas Constitution, as amended.

The District is empowered, among other things, to finance, 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 roads located inside its boundaries. The District may issue bonds and other forms of indebtedness to purchase or construct such facilities. The District may also provide solid waste disposal and collection services. The District is also empowered to establish, operate, and maintain fire-fighting facilities, independently or with one or more conservation and reclamation districts, after approval by the TCEQ and the voters of the District.

Description and Location

The District is located within the municipal boundaries of the City and the County and originally contained approximately 3,236.601 acres of land, and after excluding certain property, currently includes, approximately 3,210 acres of land. Single Family Defined Area includes approximately 1,422.998 acres of land within the District.

The District is located wholly within the city limits of the City and within the boundaries of Celina Independent School District ("CISD").

Management of the District

The District is governed by the Board consisting of five directors, who have control over and management supervision of all affairs of the District. All of the Directors own property within the District. The directors serve four-year staggered terms. Pursuant to the District Legislation, four director are elected and one director is appointed by the governing body of the City. The current members and officers of the Board are listed below:

Name	Position	Term Expires June
Greg Leveling	President	2025
William Rogers	Vice President	2025
Robert Klarer	Secretary	2025
James Rose	Assistant Secretary	2027
Steve Mitchell	Assistant Secretary	2027

Investment Policy

The District has adopted an Investment Policy (the "Policy") as required by the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act"). The District's goal is to preserve principal and maintain liquidity in a diversified portfolio while securing a competitive yield on its portfolio. Funds of the District are to be invested only in accordance with the Policy. The Policy states that the funds of the District may be invested in short term obligations of the U.S. or its agencies or instrumentalities, in certificates of deposits insured by the Federal Deposit Insurance Corporation and secured by collateral authorized by the Act, and in TexPool and TexStar, which are 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 portfolio.

Consultants

Although the District does not have a general manager or any other full-time employees, it has contracted for bookkeeping, tax assessing and collecting, auditing, engineering, and legal services as follows:

Bond Counsel and General Counsel: The District has engaged Winstead PC, Dallas, Texas, as general counsel to the District and as bond counsel ("Bond Counsel") in connection with the issuance of the Bonds. The fees to be paid Bond Counsel in connection with the issuance of the Bonds are contingent upon the sale and delivery of the Bonds. See "LEGAL MATTERS."

Disclosure Counsel: The District has engaged Orrick, Herrington & Sutcliffe LLP, Houston, Texas, to serve as "Disclosure Counsel" to the District in connection with the issuance of the Bonds. The fee to be paid Disclosure Counsel for services rendered in connection with the issuance of the Bonds is contingent on the issuance, sale and delivery of the Bonds.

Financial Advisor: SAMCO Capital Markets, Inc. is engaged as financial advisor to the District in connection with the issuance of the Bonds (the "Financial Advisor"). The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information in this Official Statement.

Tax Assessor/Collector: The tax assessor/collector for the District is Kenneth Maun, the Collin County Tax Assessor/Collector (the "Tax Assessor/Collector").

Bookkeeper: The District's bookkeeper is Dye & Tovery, LLC (the "Bookkeeper").

Auditor: The District engaged McCall Gibson Swedlund Barfoot PLLC to audit its financial statements for the fiscal year ended July 31, 2022, and are included as "APPENDIX A" to this Official Statement.

Engineer: The District's engineer is KFM Engineering and Design (the "Engineer").

DEVELOPMENT OF THE DISTRICT

Status of Development within the District

The District is being developed as a mixed-use master planned development to be known as Legacy Hills which is expected to include up to approximately 6,891 single-family residential homes, approximately 4,100 multifamily residential units, and approximately 100 acres of commercial development located along the Dallas North Tollway in the City of Celina, Texas.

Status of Development within the Single Family Defined Area

The Single Family Defined Area is being developed to include up to approximately 5,480 lots within the subdivisions expected to be known as Arbors at Legacy Hills, Rise at Legacy Hills, The Bluffs at Legacy Hills, Enclave at Legacy Hills, Brookshire at Legacy Hills, Vines at Legacy Hills, and certain other subdivisions as part of the Legacy Hills development. As of November 29, 2023, no single-family lots or multifamily lots have been completed and no acreage of commercial development has been completed.

As of November 22, 2023, no single-family lots or multifamily lots have been completed and no acreage of commercial development has been completed.

The table below summarizes the status of development and land use within the District as of November 22, 2023.

Single-Family Residential	Acreage	Section Lots	Homes Completed	Homes Under Construction	Finished Lots
Parcel 9, Pod 1	132.077	490	0	0	0
Parcel 9, Pod 2	111.194	443	0	0	0
Parcel 9, Pod 3	128.578	583	0	0	0
Parcel 9, Pod 4	120.789	470	0	0	0
Parcel 10, Pod 6 & 7	253.446	1,045	0	0	0
Parcel 11, Pod 5	62.214	278	0	0	0
Parcel 12, Pod 1	206.373	416	0	0	0
Parcel 12, Pod 2, 3 & 4	381.327	1,755	0	0	0
Parcel 13, Pod 8 & 9	292.217	1,210	0	0	0
Parcel 14, Pod 10	38.634	192	0	0	0
Totals	1,726.849	6,882	0	0	0
Future School Sites	**15**	**0**	**0**	**0**	**0**
Currently Under Development	1,711.849	6,882	0	0	0
Remaining Developable	0	0	0	0	0
Total	1,726.849	6,882	0	0	0

Pod Developers within the District

The single-family residential homes will be developed in pods by homebuilders, including Ashton Woods, Beazer Homes, First Texas Homes, Lennar Homes, Mattamy Homes, and Pulte. Ownership by the Pod Developers within the Single Family Defined Area is as follows:

Pod Developers	Name of Subdivision	Acreage Owned
Ashton Woods	Brookshire at Legacy Hills	315.66
Beazer Homes	Enclave at Legacy Hills	111.194
First Texas Homes	The Bluffs at Legacy Hills	132.077
Lennar Homes	Rise at Legacy Hills	120.789
Mattamy Homes	Arbors at Legacy Hills	128.578
Pulte Homes	Pinnacle at Legacy Hills	206.373

PHOTOGRAPHS TAKEN IN THE SINGLE FAMILY DEFINED AREA OF THE DISTRICT
(MAY 2023)

THE MASTER DEVELOPER

Role of the Master Developer

In general, the activities of a developer in a municipal management district or other type of special purpose district, such as the District, include purchasing the land within the District, designing the subdivision, designing the utilities and streets to be constructed in the subdivision, designing any community facilities to be built, defining a marketing program and building schedule, securing necessary governmental approvals and permits for development, arranging for the construction of roads and the installation of utilities (including, in some cases, water, wastewater, and drainage facilities pursuant to the rules of the TCEQ, as well as gas, telephone, and electric service) and selling improved lots and commercial reserves to builders, developers, or other third parties. In most instances, the developer will be required to pay up to thirty percent (30%) of the cost of constructing certain of the water, wastewater, and drainage facilities in a municipal management district or other type of special purpose district pursuant to the rules of the TCEQ. The relative success or failure of a developer to perform such activities in development of the property within a municipal management district or other type of special purpose district may have a profound effect on the security of the unlimited tax bonds issued by a district. A developer is generally under no obligation to a district to develop the property which it owns in a district. Furthermore, there is no restriction on a developer's right to sell any or all of the land which it owns within a district. In addition, a developer is ordinarily a major taxpayer within a municipal management district or other type of special purpose district during the development phase of the property.

Prospective purchasers of the Bonds should note that the prior real estate experience of a developer should not be construed as an indication that further development within the District will occur, or construction of taxable improvements upon property within the District will occur, or that marketing or leasing of taxable improvements constructed upon property within the District will be successful. Circumstances surrounding development within the District may differ from circumstances surrounding development of other land in several respects, including the existence of different economic conditions, financial arrangements, homebuilders, geographic location, market conditions, and regulatory climate.

Neither the Master Developer (herein defined), nor any affiliate entities, are obligated to pay principal of or interest on the Bonds. Furthermore, neither the Master Developer, nor any affiliate entities, have a binding commitment to the District to carry out any plan of development, and the furnishing of information relating to the proposed development by the Master Developer or affiliate entities should not be interpreted as such a commitment. Prospective purchasers are encouraged to inspect the District in order to acquaint themselves with the nature of development that has occurred or is occurring within the District's boundaries.

The Master Developer

As of September 30, 2023, MM Celina 3200, LLC, a Texas limited liability company (the "Master Developer") owns approximately 1,434.86 acres of land within the District, of which approximately 381.327 acres is developable land not currently under construction.

The Master Developer is an affiliate of Centurion American Custom Homes Inc. d/b/a Centurion American Development Group Inc. ("Centurion") and was created by Centurion for the purpose of managing and ultimately conveying property in the District to third parties. The Master Developer is a nominally capitalized limited liability company, the primary asset of which is unsold property within the District. The Master Developer will have no source of funds with which to pay assessments or taxes levied by the District, the City or any other taxing entity other than funds resulting from the sale of property within the District or funds advanced to the Master Developer by an affiliated party. The Master Developer's ability to make full and timely payments of assessments or taxes will directly affect the District's ability to meet its obligation to make payments on the Bonds.

Since 1990, Centurion has developed over 20,000 single-family lots in dozens of communities surrounding North Texas. It has worked closely with investors, land-owners, financial institutions, and vendors to acquire over 15,000 acres of land inventory for a diverse mix of developments in size and scope. Centurion's communities include amenities such as parks, golf courses, water park themes, and hiking and biking trails. Over the past thirty years, Centurion has demonstrated the ability to successfully deliver master-planned communities that have been recognized in the real estate industry.

Mr. Mehrdad Moayedi has ultimate control of Centurion and its affiliates. Centurion maintains a staff of approximately 50 employees. Centurion creates single-asset limited liability companies to own development sites and contracts with developers and other professionals in the delivery of its communities.

In addition, Centurion works closely with local municipalities, commercial developers, and public school systems as part of its overall master plan. Centurion works with North Texas' top builders to deliver the latest concepts ranging from upscale, luxury homes in secluded neighborhoods to affordable housing communities for first-time home buyers.

Centurion purchases and develops land in prime locations with the right mix of natural land settings, strong job growth, good school systems and access to local community shopping.

Master Developer Financing

Centurion and its various affiliated special purpose entities, including the Master Developer, utilize a variety of funding sources for the purchase of land and subsequent development or redevelopment thereof. Typically, the applicable Centurion affiliate will obtain an acquisition loan from a lender to fund the acquisition of land. To fund horizontal development of such land, Centurion affiliates use a combination of developer equity, builder earnest money, builder payments under lot contracts, development loans from lending institutions, incentives from local governments (including tax increment grants), public/private partnerships, funds from tax-exempt bonds issued by local governments and backed by special assessments on the developable land and other sources of capital.

Master Developer sold the land to homebuilders (see Pod Developers Within The District) and retained rights to the reimbursement agreement.

THE SINGLE FAMILY DEFINED AREA UTILITY SYSTEM

General

The District is constructing the water, wastewater and storm drainage facilities (the "Single Family Defined Area Utility System") and roadway improvements to serve the District. According to the Engineer, the Single Family Defined Area Utility System is being designed in accordance with accepted engineering practices and the requirements of all governmental agencies having regulatory or supervisory jurisdiction over the construction and operation of such facilities, including, among others, the TCEQ, the City, the County, and Texas Department of Transportation ("TxDOT"). According to the Engineer, the design of such facilities has been approved by all required governmental agencies, the City, and the TCEQ.

Description of the Single Family Defined Area Utility System

Water Supply and Distribution: The District's water service is provided by the City.

The District is constructing the water distribution system, as well as necessary perimeter and offsite facilities to serve the water distribution system within the District. Once completed, the District's water distribution system will be dedicated to and owned, maintained, and operated by the City.

According to the Engineer, the water supply and distribution system and improvements are being designed in accordance with applicable design criteria as established by the TCEQ and the City.

Sanitary Sewer Collection: The wastewater generated by development within the District naturally flows by gravity through internal sanitary sewer lines constructed by the District to the City's existing sanitary sewer lines. Once completed, the District's wastewater collection facilities are dedicated to and owned, maintained, and operated by the City. According to the Engineer, all wastewater collection facilities are being designed in accordance with TCEQ regulations.

Storm Drainage: Stormwater runoff within the District drains into a system of collector lines via curbs and gutters. Such collector lines convey flow within a pipe system to existing major creeks. Once completed, the District's storm drainage improvements will be dedicated to and owned, maintained, and operated by the City. According to the Engineer, all storm drainage improvements are being designed in accordance with design criteria established by the County, the City, TxDOT, and the TCEQ. The District maintains and operates the District's storm drainage system.

Roads: Construction of the District's road system (the "District's Road System") is subject to certain regulation by the City and TxDOT. The roads in the District are constructed with concrete pavement and curbs and gutter roadways. Remaining streets provide local interior service within the District. The District's Road System, which includes the Single Family Defined Area Road System, is being constructed by the District and once complete, will be dedicated to and owned and maintained by the City.

Floodplain

According to the Flood Insurance Rate Maps ("FIRM") Community Panel Number 48085C0105J, revised on June 2, 2009 provided by the Federal Emergency Management Agency ("FEMA") approximately 985 acres within the District are located within the floodplain Zone "A". An onsite drainage pipe system is being designed within the District to reclaim the Zone "A" floodplain to convey onsite drainage to existing major creeks.

THE SINGLE FAMILY DEFINED AREA ROAD SYSTEM

Construction of the road improvements within the boundaries of the District has been financed with funds advanced by the Pod Developers, to be reimbursed with bond proceeds. The roads within the District vary in width in accordance with the standards of the City and are sized to according to the Master Developer's development plan.

DISTRICT DEBT

2023 Assessed Valuation of the Single Family Defined Area	$	54,744,900 (a)
Direct Debt:		
The Bonds	$	3,055,000
Outstanding District Bonds		0
Total	$	3,055,000
Estimated Overlapping Debt	$	9,532,216 (b)
Total Direct and Estimated Overlapping Debt	$	12,587,217 (b)
Direct Debt Ratio:		
As a percentage of 2023 Assessed Valuation of the Single Family Defined Area		5.58%
Direct and Estimated Overlapping Debt Ratio:		
As a percentage of 2023 Assessed Valuation of the Single Family Defined Area		22.99%
SFDA Road System Debt Service Fund (as of closing of the Bonds)	$	0 (c)
General Operating Fund Balance (as of November 16, 2023)	$	7,475 (d)
2023 SFDA Tax Rate:		
SFDA Road System Debt Service	$	0.000 (e)
SFDA Utility System Debt Service	$	0.000 (e)
Maintenance & Operation	$	0.408
Total	$	0.408
Average Annual Debt Service Requirements on the Bonds (2024 – 2053)	$	215,506
Maximum Annual Debt Service Requirements on the Bonds (2034)	$	218,100
Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay Average Annual Debt Service Requirement on the Bonds (2024 – 2053):		
Based on 2023 Assessed Valuation of the Single Family Defined Area at 98% Collections	$	0.402
Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay Maximum Debt Service Requirement on the Bonds (2024 – 2053):		
Based on 2023 Assessed Valuation of the Single Family Defined Area at 98% Collections	$	0.407

(a) Represents the certified assessed valuation of all taxable property in the SFDA as of October 6, 2023, provided by the Collin County Appraisal District (the "Appraisal District"). See "TAX DATA" and "TAXING PROCEDURES."

(b) See "DISTRICT DEBT—Direct and Estimated Overlapping Debt Statement."

(c) Neither Texas law nor the Bond Order requires that the District maintain any particular sum in the SFDA Road System Debt Service Fund. Funds in the SFDA Road System Debt Service Fund are pledged only to pay the debt service on the Bonds and any other bonds issued for the purpose of acquiring or constructing the SFDA Road System (hereinafter defined). Funds in the SFDA Road System Debt Service Fund are not pledged to pay debt service on bonds issued for the purpose of acquiring or constructing the SFDA Utility System (hereinafter defined).

(d) See "INVESTMENT CONSIDERATIONS – Operating Fund."

(e) The District is authorized to levy separate taxes for payment of debt service on bonds issued by the District for the SFDA Road System and for payment of debt service on bonds issued for the SFDA Utility System; both such taxes are unlimited as to rate or amount See "TAX DATA—Tax Rate Calculations."

Debt Service Requirement Schedule

The following schedule sets forth the debt service requirements on the Bonds. Note, totals may not sum due to rounding.

		The Bonds	
FYE 12/31	**Principal**	**Interest**	**Total Debt Service**
2024	$95,000	$119,067	$214,067
2025	45,000	172,375	217,375
2026	45,000	170,125	215,125
2027	50,000	167,875	217,875
2028	50,000	165,375	215,375
2029	55,000	162,750	217,750
2030	55,000	159,863	214,863
2031	60,000	156,975	216,975
2032	60,000	153,825	213,825
2033	65,000	150,525	215,525
2034	70,000	146,950	216,950
2035	75,000	143,100	218,100
2036	75,000	138,975	213,975
2037	80,000	134,663	214,663
2038	85,000	130,063	215,063
2039	90,000	125,175	215,175
2040	95,000	120,000	215,000
2041	100,000	114,300	214,300
2042	105,000	108,300	213,300
2043	115,000	102,000	217,000
2044	120,000	95,100	215,100
2045	130,000	87,900	217,900
2046	135,000	80,100	215,100
2047	145,000	72,000	217,000
2048	150,000	63,300	213,300
2049	160,000	54,300	214,300
2050	170,000	44,700	214,700
2051	180,000	34,500	214,500
2052	190,000	23,700	213,700
2053	205,000	12,300	217,300
Total	**$3,055,000**	**$3,410,180**	**$6,465,180**

Average Annual Debt Service Requirements on the Bonds (2024–2053)	$215,506
Maximum Annual Debt Service Requirements on the Bonds (2035)	$218,100

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Direct and Estimated Overlapping Debt Statement

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

Taxing Jurisdiction	Outstanding Debt 04/30/2023	Overlapping Percent	Overlapping Amount
City of Celina	$355,130,000	1.01%	$3,595,329
Celina Independent School District	394,670,000	1.43%	5,631,147
Collin County	721,825,000	0.02%	175,458
Collin College	480,350,000	0.03%	130,282
TCL13 Celina TIRZ 13	0	0.00%	0
NPMMD #1	0	0.00%	0
Total Estimated Overlapping Debt (a)		**2.49%**	**$9,532,217**
New Direct Debt	3,055,000		3,055,000
Total Direct and Estimated Overlapping Debt			**$12,587,217**

(a) Overlapping Debt does not take into account the Outstanding Bonds and which are secured solely by assessments against certain residential lots in the District and not by the ad valorem taxes of the District or any other revenues of the district other than such assessments.

Debt Ratios

Direct Debt Ratios (a):

As a Percentage of 2023 Assessed Valuation of the Single Family Defined Area.......... 5.58%

Direct and Estimated Overlapping Debt Ratios (a):

As a Percentage of 2023 Assessed Valuation of the Single Family Defined Area.......... 22.99%

(a) Overlapping Debt does not take into account the Outstanding Bonds and which are secured solely by assessments against certain residential lots in the District and not by the ad valorem taxes of the District or any other revenues of the district other than such assessments.

[Remainder of this page intentionally left blank.]

TAXING PROCEDURES

Set forth below is a summary of certain provisions of the Property Tax Code (defined herein) relating to the District's ability to levy and collect property taxes on property within the District. Provisions of the Property Tax Code are complex and are not fully summarized herein. Reference is made to the Property Tax Code for more complete information, including the identification of property subject to taxation; property exempt, or which may be exempted from taxation, if claimed; the appraisal of property for ad valorem tax purposes, and the procedures and limitations applicable to the levy and collection of ad valorem taxes.

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 sufficient amount to pay the principal of and interest on the Bonds and any additional bonds payable from taxes which the District may hereafter issue, and to pay the expenses of assessing and collecting such taxes. The District agrees in the Bond Order to levy such a tax from year to year as described more fully above under "THE BONDS—Source of Payment." Under Texas law, the Board may also levy and collect annual ad valorem taxes for the operation and maintenance of the District and for the payment of certain contractual obligations. In 2023, the District levied a total tax rate of $0.408 per $100 of assessed valuation for Single Family Defined Area maintenance and operations purposes, and subsequently amended the tax rate in the same amount to finance debt service on the Bonds. The District plans to levy a Single Family Defined Area Tax for maintenance and operations and debt service purposes in 2024. See "TAX DATA—Tax Rate Limitation."

Property Tax Code and County-Wide Appraisal District

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 herein. 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 Collin County Appraisal District (the "Appraisal District"). The Appraisal District has the responsibility of appraising property for all taxing units within the County, including the District. Such appraisal values will be subject to review and change by the Collin County Appraisal Review Board (the "Appraisal Review Board"). The appraisal roll, as approved by the Appraisal Review Board, will be used by the District in establishing its tax rolls and tax rate.

The Property Tax Code requires the appraisal district, by May 15 of each year, or as soon thereafter as practicable, to prepare appraisal records of property as of January 1 of each year based upon market value. The chief appraiser must give written notice before May 15, or as soon thereafter as practicable, to each property owner whose property value is appraised higher than the value in the prior tax year or the value rendered by the property owner, or whose property was not on the appraisal roll the preceding year, or whose property was reappraised in the current tax year. Notice must also be given if ownership of the property changed during the preceding year. The appraisal review board has the ultimate responsibility for determining the value of all taxable property within the Single Family Defined Area of District; however, any property owner who has timely filed notice with the appraisal review board may appeal a final determination by the appraisal review board by filing suit in a Texas district court. Prior to such appeal or any tax delinquency date, however, the property owner must pay the tax due on the value of that portion of the property involved that is not in dispute or the amount of tax imposed in the prior year, whichever is greater, or the amount of tax due under the order from which the appeal is taken. 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. In addition, taxing units, such as the District, are entitled to challenge certain matters before the appraisal review board, including the level of appraisals of a certain category of property, the exclusion of property from the appraisal records of the granting in whole or in part of certain exemptions. A taxing unit may not, however, challenge the valuation of individual properties.

Although the District has the responsibility for establishing tax rates and levying and collecting its taxes each year, under the Property Tax Code, the District does not establish appraisal standards or determine the frequency of revaluation or reappraisal. The appraisal district is governed by a board of directors elected by the governing bodies of the county and all cities, towns, school districts and, if entitled to vote, the conservation and reclamation districts that participate in the appraisal district. The Property Tax Code requires each appraisal district to implement a plan for periodic reappraisal of property to update appraised values. Such plan must provide for reappraisal of all real property in the appraisal district at least once every three years. It is not known what frequency of future reappraisals will be utilized by the Appraisal District or whether reappraisals will be conducted on a zone or county-wide basis.

Property Subject to Taxation by the District

General: 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; certain farm products owned by the producer; certain property of charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; and most individually-owned automobiles. In addition, the District may by its own action exempt residential homesteads of persons 65 years or older and certain disabled persons, to the extent deemed advisable by the Board of Directors of the District. The District may be required to offer such exemptions if a majority of voters approve same at an election. The District would be required to call an election upon petition by twenty percent (20%) of the number of qualified voters who voted in the preceding election. The District is authorized by statute to disregard exemptions for the disabled and elderly if granting the exemption would impair the District's obligation to pay tax supported debt incurred prior to adoption of the exemption by the District. The District has not adopted disabled or over 65 exemptions.

Furthermore, the District must grant exemptions to disabled veterans or the surviving spouse or children of a deceased veteran who died while on active duty in the armed forces, if requested, but only to the maximum extent of between $5,000 and $12,000 depending upon the disability rating of the veteran claiming the exemption. A veteran who receives a disability rating of 100% is entitled to an exemption of full value of the veteran's residential homestead. Furthermore, qualifying surviving spouses of persons 65 years of age and older are entitled to receive a resident homestead exemption equal to the exemption received by the deceased spouse and surviving spouses of a deceased veteran who had received a disability rating of 100% are entitled to receive a residential homestead exemption equal to the exemption received by the deceased spouse until such surviving spouse remarries. A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran's disability rating if the residence homestead was donated by a charitable organization. Also, the surviving spouse of a member of the armed forces who was killed in action is, subject to certain conditions, entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse. The surviving spouse of a first responder who was killed or fatally injured in the line of duty is, subject to certain conditions, also entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and, subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse.

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

Freeport Goods Exemption and "Goods-in-Transit": 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 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.

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.

Disaster Exemption

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

Tax Abatement

The County and the City may designate all or part of the area within the District as a reinvestment zone. The District, at the option and discretion of the District, the City and the County may enter into tax abatement agreements with owners of property within the zone. Prior to entering into a tax abatement agreement, each entity must adopt guidelines and criteria for establishing tax abatement, which each entity will follow in granting tax abatement to owners of property. The tax abatement agreements may exempt from ad valorem taxation by each of the applicable taxing jurisdictions, including the District, for a period of up to ten (10) years, all, or any part of any increase in the assessed valuation of property covered by the agreement over its assessed valuation in the year in which the agreement is executed, on the condition that the property owner make specified improvements or repairs to the property in conformity with the terms of the tax abatement. Each taxing jurisdiction has discretion to determine terms for its tax abatement agreements without regard to the terms approved by the other taxing jurisdiction. None of the area within the District has been designated as a reinvestment zone to date, and the District has not approved any such tax abatement agreements.

Agricultural, Open Space, Timberland and Inventory Deferment

The Property Tax Code permits land designated for agricultural use (including wildlife management), open space, or timberland to be appraised at its value based on the land's capacity to produce agriculture or timber products rather than at its fair market value. The Property Tax Code permits, under certain circumstances, that residential real property inventory held by a person in the trade or business be valued at the price all such property would bring if sold as a unit to a purchaser who would continue the business. Landowners wishing to avail themselves of any of such designations must apply for the designation, and the Appraisal District is required by the Property Tax Code to act on each claimant's right to the designation individually. A claimant may waive the special valuation as to taxation by some political subdivisions and not as to others. If a claimant receives the designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use for the three (3) years prior to the loss of the designation for agricultural, timberland or open space land. See "TAX DATA—Analysis of Tax Base" and "THE MASTER DEVELOPER."

Notice and Hearing Procedures

The Property Tax Code establishes procedures for providing notice and the opportunity for a hearing for taxpayers in the event of certain proposed tax increases and provides for taxpayer's referenda which could result in the repeal of certain tax increases. The District is required to publish a notice of a public hearing regarding the tax rate proposed to be levied in the current year and comparing the proposed tax rate to the tax rate set in the preceding year. See "—Rollback of Operation and Maintenance Tax Rate" below.

District and Taxpayer Remedies

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

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 made on an annual basis. For the 2023 tax year, the District is classified 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

Levy and Collection of Taxes

The District has entered into a Tax Collection Services Agreement with Collin County who is responsible for the collection of its taxes unless it elects to transfer such functions to another governmental entity. The rate of taxation is set by the Board, 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 of 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.

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 in which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties and interest ultimately imposed for the year on the property. The lien exists in favor of each taxing unit, including the District, having the power to tax the property. The District's tax lien is on a parity with the tax liens of other such taxing units. A tax lien on real property takes priority over the claims 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 federal law. Personal property, under certain circumstances, is subject to seizure and sale for the payment of delinquent taxes, penalty, and interest.

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

TAX DATA

General

Taxable property within the District is subject to the assessment, levy, and collection by the District of an annual ad valorem tax, without legal limitation as to rate or amount, sufficient to pay principal of and interest on the Bonds (and any future tax-supported bonds which may be issued from time to time as authorized). Taxes are levied by the District each year against the District's assessed valuation as of January 1 of that year. Taxes become due October 1 of such year, or when billed, and generally become delinquent after January 31 of the following year. The Board covenants in the Bond Order to assess and levy for each year that all or any part of the Bonds remain outstanding and unpaid a tax ample and sufficient to produce funds to pay the principal of and interest on the Bonds. The actual rate of such tax will be determined from year to year as a function of the District's tax base, its debt service requirements, and available funds. In addition, the District has the power and authority to assess, levy and collect ad valorem taxes, in an unlimited amount, for operation and maintenance purposes. In 2023, the District levied a total tax rate of $0.408 per $100 of assessed valuation for Single Family Defined Area maintenance and operations purposes, and subsequently amended the tax rate in the same amount to finance debt service on the Bonds. The District plans to levy a Single Family Defined Area Tax for maintenance and operations and debt service purposes in 2024.

Tax Rate Limitation

Debt Service: .... Unlimited (no legal limit as to rate or amount).

Maintenance and Operations: .... $1.00 per $100 assessed taxable valuation.

Debt Service Taxes

The Board covenants in the Bond Order to levy and assess, for each year that all or any part of the Bonds remain outstanding and unpaid, a tax adequate to provide funds to pay the principal of and interest on the Bonds. In 2022, the District levied $0.00 per $100 of assessed valuation for Single Family Defined Area Utility System debt service purposes and $0.00 per $100 of assessed valuation for Single Family Defined Area Road System debt service purposes.

Maintenance and Operations Taxes

The Board has the statutory authority to levy and collect an annual ad valorem tax for maintenance of the District's improvements if such maintenance tax is authorized by vote of the District's electors. The Board is authorized by the District's voters to levy such maintenance tax in an amount not to exceed $1.00 per $100 of assessed valuation. Such tax, when levied, is in addition to taxes which the District is authorized to levy for paying principal of and interest on the Bonds and any parity bonds which may be issued in the future. In 2022, the District levied a total tax rate of $0 per $100 of assessed valuation for maintenance and operations purposes. See "—Tax Rate Distribution" below.

Tax Exemption

As discussed in the section entitled "TAXING PROCEDURES" herein, certain property in the District may be exempt from taxation by the District. The District does not exempt any percentage of the market value of any residential homesteads from taxation.

Additional Penalties

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

Historical Tax Collections

The following table illustrates the collection history of the District for the 2023 tax year:

Tax Year	Certified Taxable Value	Tax Rate (a)	Adjusted Tax Levy	Collections Current Year (b)	Current Year Ending 9/30	Collections As of 11/16/23
2023	$54,744,900	$0.408	$223,359	$0.00	$0.00 (2024)	$0.00

(a) Tax Rate per $100 of Assessed Taxable Value. See "Table 5-Tax Rate Distribution" below.
(b) In the Process of Collection.

Tax Rate Distribution

The following table sets out the components of the District's tax levy for the 2023 tax year.

	2022	2023
Single Family Defined Area Road System Debt Service	0.00	0.00
Single Family Defined Area Utility System Debt Service	0.00	0.00
Maintenance & Operations	0.00	0.408
Total	**N/A**	**0.408**

Analysis of Tax Base

The following represents the types of property comprising the District assessed taxable value for the 2023 tax year.

Type of Property	2023 Assessed Taxable Valuation
Land	$ 109,323,898
Improvements	0
Personal Property	0
Exemptions	(53,768,998)
Total	**$ 54,744,900**

Principal Taxpayers

The following represents the principal taxpayers, type of property, and their assessed values as of October 6th, 2023:

Taxpayer	Type of Property	Assessed Valuation 2023 Tax Roll	Percent of 2023 Assessed Value
PULTE HOMES OF TEXAS LP	Land & Improvements	$20,553,300	37.65%
MM CELINA 3200 LLC	Land & Improvements	$37,825	0.07%
FIRST TEXAS HOMES INC	Land & Improvements	$13,121	0.02%
GG TC LP	Land & Improvements	$17,061	0.03%
MATTAMY TEXAS LLC	Land & Improvements	$4,158,621	7.62%
FR LEGACY HILLS LLC	Land & Improvements	$11,440,102	20.96%
BEAZER HOMES TEXAS LP	Land & Improvements	$9,451,490	17.32%
LSMA DYNAVEST LLC	Land & Improvements	$8,903,100	16.31%
GG B2R PECAN II LP	Land & Improvements	$10,354	0.02%
CELINA CITY OF	Land & Improvements	$20,553,300	0.00%
Total		$54,584,974	100.00%

(a) See "THE MASTER DEVELOPER."

Tax Rate Calculations

The tax rate calculations set forth below are presented to indicate the tax rates per $100 of assessed taxable valuation that would be required to meet certain debt service requirements on the Bonds if no growth in the District's tax base occurs beyond the 2023 Assessed Valuation of the Single Family Defined Area ($54,744,900). The Maximum Annual Debt Service calculation assume collections of 98% of taxes levied, the sale of the Bonds but not the sale of any additional bonds by the District.

Average Annual Debt Service Requirement on the Bonds (2024–2053) $215,506
Tax Rate of $0.402 on the 2023 Taxable Assessed Valuation produces $215,673

Maximum Annual Debt Service Requirement on the Bonds (2053) $218,100
Tax Rate of $0.407 on the 2023 Taxable Assessed Valuation produces $218,355

Estimated Overlapping Taxes

Property within the District, including the Single Family Defined Area is subject to taxation by several taxing authorities in addition to the District. Under Texas law, if ad valorem taxes levied by a taxing authority become delinquent, a lien is created upon the property which has been taxed. A tax lien on property in favor of the District is on a parity with tax liens of other taxing jurisdictions. In addition to ad valorem taxes required to make debt service payments on bonded debt of the District and of such other jurisdictions (see "DISTRICT DEBT—Direct and Estimated Overlapping Debt Statement"), certain taxing jurisdictions are authorized by Texas law to assess, levy, and collect ad valorem taxes for operation, maintenance, administrative and/or general revenue purposes.

The District levies assessments on a majority of the property within the District (the "Major Improvement Assessments"), including Defined Area No. 1, and levies taxes that are improved on Defined Area No. 1 only (the "Defined Area No. 1 Tax "). The Major Improvement Assessments cannot be used to pay debt service on the Bonds.

Set forth below is an estimation of all 2023 taxes per $100 of assessed valuation levied by such jurisdictions. No recognition is given to local assessments for civic association dues, emergency medical service contributions, fire department contributions or any other charges made by entities other than political subdivisions. No prediction can be made of the tax rates that will be levied in future years by the respective taxing jurisdictions.

Taxing Jurisdiction (including Single Family Defined Area)(a)	2023 Tax Rate
City of Celina	$0.612
Celina Independent School District	$1.238
Collin County	$0.149
Collin College	$0.081
TCL13 Celina TIRZ 13	$0.000
Single Family Defined Area	$0.408
Total	**$2.488**

(a) Tax rates do not take into account Outstanding Bonds which are secured solely by assessments against certain residential lots in the District and not by the ad valorem taxes of the District or any other revenues of the district other than such assessments. The combined effective tax rate comprised of the Unlimited Road Tax Bonds and the Outstanding Bonds will not exceed $0.710 per $100 of assessed valuation set forth by the District.

INVESTMENT CONSIDERATIONS

General

The Bonds, which are obligations of the District and not of the State of Texas; the County; the City; or any political subdivision other than the District, will be secured by a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property located within the District. Therefore, the ultimate security for payment of the principal of and interest on the Bonds depends upon the ability of the District to collect from the property owners within the District taxes levied against all taxable property located within the District, or, in the event taxes are not collected and foreclosure proceedings are instituted by the District, upon the value of the taxable property with respect to taxes levied by the District and by other taxing authorities. The District makes no representations that over the life of the Bonds the property within the District will maintain a value sufficient to justify continued payment of taxes by the property owners. The potential increase in taxable valuation of District property is directly related to the economics of the residential housing industry, not only due to general economic conditions, but also due to the particular factors discussed below. See "DEVELOPMENT OF THE DISTRICT," "TAX DATA," and "TAXING PROCEDURES."

Factors Affecting Taxable Values and Tax Payments

Economic Factors: The District is situated in the Dallas/Fort Worth, Texas area and the rate of development of the District is directly related to the vitality of the residential housing industry in said metropolitan area. New residential housing construction can be significantly affected by factors such as interest rates, construction costs, and consumer demand. Decreased levels of home construction activity would restrict the growth of property values in the District. The District cannot predict the pace or magnitude of any future development or home construction in the District.

Master Developer: There is no commitment by, or legal requirement of, the Master Developer, or any other landowner in the District to proceed at any particular rate or according to any specified plan with the development of land in the District, or of any homebuilder to proceed at any particular pace with the construction of homes in the District. Moreover, there is no restriction on any landowner's right to sell its land. Therefore, the District can make no representation about the probability of future development, if any, or the rate of future home construction activity in the District. Failure to construct taxable improvements on developed lots would restrict the rate of growth of taxable values in the District and result in higher tax rates. See "DEVELOPMENT OF THE DISTRICT," "THE MASTER DEVELOPER," and "TAX DATA—Principal Taxpayers."

Dependence on Principal Taxpayers and the Master Developer: The top principal taxpayers represent approximately 37.65% ($20,553,300) of the 2023 Assessed Valuation, which represents ownership as of October 6th, 2023. The Master Developer represents $37,825 or .07% of such value. If these or other principal taxpayers were to default in the payment of taxes in an amount which exceeds the District's debt service fund surplus, the ability of the District to make timely payment of debt service on the Bonds would be dependent on its ability to enforce and liquidate its tax lien, which is a time-consuming process, or to sell tax anticipation notes. Failure to recover or borrow funds in a timely fashion could result in an excessive District tax rate, hindering growth and leading to further defaults in the payment of taxes. The District is not required by law or the Bond Order to maintain any specified amount of surplus in its debt service funds. See "TAX DATA—Principal Taxpayers" and "TAXING PROCEDURES—Levy and Collection of Taxes."

Maximum Impact on District Tax Rates: Assuming no further development or home construction, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of property owners to pay their taxes. The 2023 Assessed Valuation of the Single Family Defined Area of property located within the District is $54,744,900. See "TAX DATA."

After issuance of the Bonds, the maximum annual debt service requirement on the Bonds will be $218,100 (2035) and the average annual debt service requirement on the Bonds will be $215,506 (2024-2053). Assuming no decrease to the 2023 Assessed Valuation of the Single Family Defined Area, tax rates of $0.407 and $0.402 per $100 of assessed valuation at 98% tax collection rate would be necessary to pay the maximum annual debt service requirement and the average annual debt service requirement, respectively.

The District can make no representation that the taxable property values in the Single Family Defined Area District will increase in the future or will maintain a value sufficient to support the proposed Single Family Defined Area District tax rate or to justify continued payment of taxes by property owners.

Competitive Nature of Residential Housing Market

The residential housing industry in the Dallas-Fort Worth, Texas, area is very competitive, and the District can give no assurance that the building programs which are planned by any homebuilder(s) will be continued or completed. The respective competitive position of the homebuilder listed herein and any other developer or homebuilder(s) which might attempt future home building or development projects in the District, the sale of developed lots or in the construction and sale of single-family residential units, are affected by most of the factors discussed in this section, and such competitive positions are directly related to tax revenues received by the District and the growth and maintenance of taxable values in the District.

Tax Collection Limitations

The District's ability to make debt service payments may be adversely affected by its inability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien in favor of the District on a parity with the liens of all other state and local taxing authorities on the property against which taxes are levied, and such lien may be enforced by 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, (c) market conditions limiting the proceeds from a foreclosure sale of taxable property, or (d) the taxpayer's right to redeem the property within two years of foreclosure for residential homestead and agricultural use property and within six (6) months of foreclosure for other property. While the District has a lien on taxable property within the District for taxes levied against such property, such lien can be foreclosed only in a judicial proceeding. Moreover, the value of property to be sold for delinquent taxes and thereby the potential sales proceeds available to pay debt service on the Bonds, may be limited by among other factors, the existence of other tax liens on the property, by the current aggregate tax rate being levied against the property, or by the taxpayers' right to redeem residential or agricultural use property within two (2) years of foreclosure and all other property within six (6) months of foreclosure. Finally, a bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within the District pursuant to Federal Bankruptcy Code could stay any attempt by the District to collect delinquent ad valorem taxes assessed against such taxpayer. See "TAXING PROCEDURES."

Registered Owners' Remedies

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

Statutory language authorizing local governments such as the District to sue and be sued does not waive the local government's sovereign immunity from suits for money damages, so that in the absence of other waivers of such immunity by the Texas Legislature, a default by the District in its covenants in the Bond Order may not be reduced to a judgment for money damages. If such a judgment against the District were obtained, it could not be enforced by direct levy and execution against the District's property. Further, the Registered Owners cannot themselves foreclose on property within the District or sell property within the District to enforce the tax lien on taxable property to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the Registered Owners may further be limited by a State of Texas statute reasonably required to attain an important public purpose or by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions, such as the District.

Bankruptcy Limitation to Registered Owners' Rights

Subject to the requirements of Texas law, the District may voluntarily proceed under Chapter 9 of the Federal Bankruptcy Code, 11 U.S.C. Section 901-946, if the District: (1) is authorized to file for federal bankruptcy protection by Texas law; (2) is insolvent or unable to meet its debts as they mature; (3) desired 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. Under Texas law, the District must also obtain the approval of the TCEQ prior to filing bankruptcy. Such law requires that the TCEQ investigate the financial conditions of the District and authorize the District to proceed only if the District has fully exercised its rights and powers under Texas law and remains unable to meet its debts and other obligations as they mature.

Notwithstanding noncompliance by the 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 applicable, 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 the District decides in the future to proceed voluntarily under the federal Bankruptcy Code, the District could develop and file a plan for the adjustment of its debts. If such a plan was confirmed by the bankruptcy court, it could, among other things, affect the Beneficial Owners by reducing or eliminating the interest rate or the principal amount, modifying or abrogating collateral or security arrangements, substituting (in whole or in part) other securities, and otherwise compromising and modifying the rights and remedies of such Beneficial Owners' claims against the District. The District may not be placed into bankruptcy involuntarily.

Marketability

The District has no understanding with the winning bidder of the Bonds (the "Initial Purchaser") 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 for 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. See "SALE AND DISTRIBUTION OF THE BONDS."

Operating Funds

The District's only sources of revenue to pay its operating expenses are advances from the Master Developer, proceeds from bond issues, and maintenance tax proceeds. The District does not receive water and sewer revenues. The District levied a 2022 maintenance tax at the rate of $0.408 per $100 of assessed valuation. The District's Operating Fund balance as of November 16, 2023, was $7,475.00. Attaining and maintaining a positive Operating Fund balance will depend upon (1) continued development, (2) increased amounts of maintenance tax revenue, and (3) funds from bond issues. In the event that funds are not made available by the Master Developer, the District will be required to levy a maintenance tax at a rate sufficient to fund its operating expenses. Such a tax, when added to the District's debt service tax, may result in a total District tax in excess of similar developments and could adversely affect continued development of the District, as well as the willingness of taxpayers to pay taxes on their property.

Future Debt

At an election held within the District on May 6, 2023, voters of the Single Family Defined Area District authorized the District's issuance of: a total of $246,277,730 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Single Family Defined Area Road System; $194,327,781 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Single Family Defined Area Utility System; $307,847,162 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Single Family Defined Area Road System; and $242,909,762 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Single Family Defined Area Utility System

The Bonds represent the first series of bonds issued by the District for the purpose of acquiring or constructing the Single Family Defined Area Road System. After issuance of the Bonds, the following principal amounts of unlimited tax bonds will remain authorized but unissued: a total of $243,222,730.00 for the purpose of acquiring or constructing the Single Family Defined Area Road System; $194,327,781 for the purpose of acquiring or constructing the Single Family Defined Area Utility System; $307,847,162 for the purpose of refunding bonds issued by the District for the Single Family Defined Area Road System; and $242,909,762 for the purpose of refunding bonds issued by the District for the Single Family Defined Area Utility System; The District may also issue any additional bonds as may hereafter be approved by both the Board of Directors and voters of the District as well as certain additional bonds, revenue bonds, special project bonds, and other obligations as described in the Bond Order. See "THE BONDS—Issuance of Additional Debt."

Following the issuance of the Bonds, the District will owe the Master Developer approximately $255,729.39 for expenditures to construct the Single Family Defined Area Road System. If additional bonds are issued in the future and property values have not increased proportionately, such issuance may increase gross debt-to-property-valuation ratios and thereby adversely affect the investment quality or security of the Bonds.

Continuing Compliance with Certain Covenants

The Bond Order contains covenants by the District intended to preserve the exclusion from gross income of interest on the Bonds. Failure of the District to comply with such covenants on a continuous basis prior to maturity of the Bonds could result in interest on the Bonds becoming taxable retroactively to the date of original issuance. See "TAX MATTERS."

Approval of the Bonds

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

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

Air Quality Issues**:** Air quality control measures required by the United States Environmental Protection Agency (the "EPA") and the TCEQ may impact new industrial, commercial and residential development in the District and surrounding area. Under the Clean Air Act ("CAA") Amendments of 1990, the Dallas-Fort Worth area ("DFW Area")—Collin, Dallas, Denton, Ellis, Johnson, Kaufman, Parker, Tarrant, and Wise Counties, and Rockwall County for the purposes of the 2008 Ozone Standards only—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 Texas has been able to demonstrate steady progress and improvements in air quality in the DFW Area, the DFW Area remains subject to CAA nonattainment requirements.

The DFW Area is currently designated as a serious ozone nonattainment area under the 1997 Ozone Standards. On June 24, 2019, the EPA proposed approval of redesignation of the DFW to "attainment" for the 1997 Ozone Standards, which would terminate the serious nonattainment area "anti-backsliding" requirements and leave the DFW Area subject only to the nonattainment area requirements under the 2008 Ozone Standard and the 2015 Ozone Standard.

On October 7, 2022, the EPA published final notice reclassifying the DFW Area from "serious" to "severe" under the 2008 Ozone Standard, effective November 7, 2022. As the DFW Area is now designated a "severe" nonattainment area, it must meet the attainment date of July 20, 2027, with an attainment year of 2026. The "severe" nonattainment classification 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.

On October 7, 2022, the EPA published final notice reclassifying the DFW Area from “marginal” to “moderate” under the 2015 Ozone Standard, effective November 7, 2022. The attainment deadline for the DFW Area under the 2015 Ozone Standard is August 3, 2024, with an attainment year of 2023.

In order to demonstrate progress toward attainment of the EPA’s ozone standards, the TCEQ has established a state implementation plan (“SIP”) for the DFW 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 DFW 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 DFW Area to reach attainment with the ozone standards by the EPA’s attainment deadlines. These additional controls could have a negative impact on the DFW Area’s economic growth and development. As a result of the DFW Area’s reclassification, the TCEQ must submit revisions of the SIP to the EPA no later than January 1, 2023, addressing the “moderate” nonattainment classification and by May 2024 addressing the “severe” nonattainment classification.

Water Supply & Discharge Issues**:** Water supply and discharge regulations that municipal management 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 DFW Area. A municipal management 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 management district’s provision of water for human consumption is subject to extensive regulation as a public water system. Municipal management districts must generally provide treated water that meets the primary and secondary drinking water quality standards adopted by the TCEQ, the applicable disinfectant residual and inactivation standards, and the other regulatory action levels established under the agency’s rules. The EPA has established NPDWRs for more than ninety (90) contaminants and has identified and listed other contaminants which may require national drinking water regulation in the future.

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

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 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 Proposed Rulemaking to put back into place the pre-2015 definition of "waters of the United States." The rule was published in the Federal Register on January 18, 2023 and became effective on March 20, 2023. The adoption of the new rule is currently the subject of ongoing litigation, including a suit filed in the United States District Court for the Southern District of Texas. Due to this existing and possible future litigation, 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 management districts, including the District, could potentially be subject to additional restrictions and requirements, including additional permitting requirements.

Potential Impact of Natural Disaster

The District could be impacted by a natural disaster such as wide-spread fires, earthquakes, or weather events such as hurricanes, tornados, tropical storms, or other severe weather events that could produce high winds, heavy rains, hail, and flooding. In the event that a natural disaster should damage or destroy improvements and personal property in the District, the assessed value of such taxable properties could be substantially reduced, resulting in a decrease in the taxable assessed value of the District or an increase in the District's tax rates.

There can be no assurance that a casualty will be covered by insurance (certain casualties, including flood, are usually excepted unless specific insurance is purchased), that any insurance company will fulfill its obligation to provide insurance proceeds, or that insurance proceeds will be used to rebuild, repair, or replace any taxable properties in the District that were damaged. Even if insurance proceeds are available and damaged properties are rebuilt, there could be a lengthy period in which assessed values in the District would be adversely affected. There can be no assurance the District will not sustain damage from such natural disasters.

Future and Proposed 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.

2023 Legislative Session

The 88th Texas Legislature commenced on January 10, 2023, and concluded on May 29, 2023. The 88th Legislative 1st Special Session convened on May 29, 2023, and concluded on June 27, 2023. The 88th Legislative 2nd Special Session convened on June 27, 2023 and concluded on July 13, 2023. The 88th Legislative 3rd Special Session convened on October 9, 2023 and concluded on November 7, 2023. The 88th Legislative 4th Special Session convened on November 7, 2023. The Governor of Texas may call one or more special sessions, at the Governor's discretion, each lasting no more than 30 days, and for which the Governor sets the agenda. The Legislature may enact laws that materially change current law as it relates to the District.

LEGAL MATTERS

Legal Opinions

The District will furnish to the Initial Purchaser a transcript of certain certified proceedings incident to the issuance and authorization of the Bonds, including a certified copy of the approving legal opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State of Texas, to the effect that the Attorney General has examined a transcript of proceedings authorizing the issuance of the Bonds, and that based upon such examination, the Bonds are valid and binding obligations of the District payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property within the Single Family Defined Area of the District. The District will also furnish the approving legal opinion of Winstead PC, Dallas, Texas, Bond Counsel, to the effect that, based upon an examination of such transcript, the Bonds are valid and binding obligations of the District under the Constitution and laws of the State, except to the extent that enforcement of the rights and remedies of the Registered Owners of the Bonds may be limited by laws relating to bankruptcy, reorganization, or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District and to the effect that interest on the Bonds is excludable from gross income for federal income tax purposes under the statutes, regulations, published rulings and court decisions existing on the date of such opinion, assuming compliance by the District with certain covenants relating to the use and investment of the proceeds of the Bonds. See "TAX MATTERS" below. The legal opinion of Bond Counsel will further state that the Bonds are payable, both as to principal and interest, from the levy of ad valorem taxes, without legal limitation as to rate or amount, upon all taxable property within the Single Family Defined Area of the District. Bond Counsel's opinion will also address the matters described below.

In addition to serving as Bond Counsel, Winstead PC, also serves as counsel to the District on matters not related to the issuance of bonds. The legal fees to be paid to Bond Counsel for services rendered in connection with the issuance of the Bonds are based upon a percentage of bonds actually issued, sold and delivered, and, therefore, such fees are contingent upon the sale and delivery of the Bonds. Certain legal matters will be passed upon for the District by Orrick, Herrington & Sutcliffe LLP, Houston, Texas, Disclosure Counsel.

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

Legal Review

Bond Counsel has reviewed the information appearing in this Official Statement under "THE BONDS" (except for information under the subheadings "—Book-Entry-Only System," and "—Use and Distribution of Bond Proceeds"), "THE DISTRICT—General," "TAXING PROCEDURES," "LEGAL MATTERS," "TAX MATTERS," and "CONTINUING DISCLOSURE OF INFORMATION" solely to determine whether such information, insofar as it relates to matters of law, is true and correct and whether such information fairly summarizes matters of law and 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.

No-Litigation Certificate

The District will furnish the Initial Purchaser a certificate, dated as of the date of delivery of the Bonds, executed by both the President or Vice President and Secretary or Assistant Secretary of the Board, to the effect that no litigation of any nature has been filed or is to their knowledge then pending or threatened, either in state or federal courts, contesting or attacking the Bonds; restraining or enjoining the issuance, execution or delivery of the Bonds; affecting the provisions made for the payment of security for the Bonds; in any manner questioning the authority or proceedings for the issuance, execution or delivery of the Bonds; or affecting the validity of the Bonds.

No Material Adverse Change

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

TAX MATTERS

Opinion

On the date of initial delivery of the Bonds, Winstead PC, Dallas, Texas, Bond Counsel, will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof ("Existing Law"), (1) interest on the Bonds for federal income tax purposes will be excludable from the "gross income" of the holders thereof and (2) the Bonds will not be treated as "specified private activity bonds" the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"); however, such interest is taken into account in determining the "annual adjusted financial statement income" (as defined in section 56A of the Code) of "applicable corporations" (as defined in section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations. Except as stated above, Bond Counsel will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Bonds.

In rendering its opinion, Bond Counsel will rely upon (a) certain information and representations of the District, including information and representations contained in the District's federal tax certificate and (b) covenants of the District contained in the Bond documents relating to certain matters, including arbitrage and the use of the proceeds of the Bonds and the property financed or refinanced therewith. Failure by the District to observe the aforementioned representations or covenants could cause the interest on the Bonds to become taxable retroactively to the date of issuance.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The opinion of Bond Counsel is conditioned on compliance by the District with such requirements, and Bond Counsel has not been retained to monitor compliance with these requirements subsequent to the issuance of the Bonds.

An "applicable corporation" (as defined in section 59(k) of the Code) may be subject to a 15% alternative minimum tax imposed under section 55 of the Code on its "adjusted financial statement income" (as defined in section 56A of the Code) for such taxable year. Because interest on tax-exempt obligations, such as the Bonds, is included in a corporation's "adjusted financial statement income," ownership of the Bonds could subject a corporation to alternative minimum tax consequences.

Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the reliance on the aforementioned information, representations and covenants. Bond Counsel's opinion is not a guarantee of a result. Existing Law is subject to change by Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that such Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Bonds.

A ruling was not sought from the Internal Revenue Service by the District with respect to the Bonds or the property financed or refinanced with proceeds of the Bonds. No assurances can be given as to whether the Internal Revenue Service will commence an audit of the Bonds, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an Internal Revenue Service audit is commenced, under current procedures the Internal Revenue Service is likely to treat the District as the taxpayer and the Registered Owners may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

Tax Accounting Treatment of Original Issue Discount Bonds

The initial public offering price to be paid for one or more maturities of the Bonds is less than the principal amount thereof or one or more periods for the payment of interest on the Bonds may not be equal to the accrual period or be in excess of one year (the "Original Issue Discount Bonds"). In such event, the difference between (i) the "stated redemption price at maturity" of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond would constitute original issue discount. The "stated redemption price at maturity" means the sum of all payments to be made on the Bonds less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under Existing Law, any owner who has purchased such Original Issue Discount Bond in the initial public offering 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 accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

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 Original Issue Discount Bond was held by such initial owner) is includable in gross income.

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 date 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 Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the 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 and 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 Original Issue Discount Bond.

The federal income tax consequences of the purchase, ownership, 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 the treatment of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Bonds.

Collateral Federal Income Tax Consequences

The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Bonds. This discussion is based on Existing Law, which is subject to change or modification, retroactively.

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with accumulated earnings and profits and excess passive investment income, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium assistance credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE BONDS.

Under section 6012 of the Code, holders of tax-exempt obligations, such as the Bonds, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation. Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Bonds, if such obligation was acquired at a "market discount" and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to "market discount bonds" to the extent such gain does not exceed the accrued market discount of such bonds; although for this purpose, a de minimis amount of market discount is ignored. A "market discount bond" is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the "revised issue price" (i.e., the issue price plus accrued original issue discount). The "accrued market discount" is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

Qualified Tax-Exempt Obligations

Section 265 of the Code provides, in general, that interest expense incurred to acquire or carry tax-exempt obligations is not deductible from the gross income of the owner thereof. In addition, interest expense incurred by certain owners that are "financial institutions" within the meaning of such section and which is allocable to tax-exempt obligations acquired after August 7, 1986, is completely disallowed as a deduction for taxable years beginning after December 31, 1986. Section 265(b) of the Code provides an exception to this rule for interest expense incurred by financial institutions and allocable to tax-exempt obligations (other than private activity bonds) which are designated by an issuer, such as the District, as "qualified tax-exempt obligations." An issue may be designated as "qualified tax-exempt obligations" only where the amount of such issue, when added to all other tax-exempt obligations (other than private activity bonds) issued or reasonably anticipated to be issued by the issuer during the same calendar year, does not exceed $10,000,000.

The District has, pursuant to the Bond Order, designated the Bonds as "qualified tax-exempt obligations" and certify its expectation that the above-described $10,000,000 ceiling will not be exceeded. Accordingly, it is anticipated that financial institutions that purchase the Bonds will not be subject to the 100 percent disallowance of interest expense allocable to interest on the Bonds under Section 265(b) of the Code. However, 20 percent of the interest expense incurred by a financial institution which is allocable to the interest on the Bonds would not be deductible pursuant to Section 291 of the Code.

CONTINUING DISCLOSURE OF INFORMATION

In the Bond Order, the District has made the following covenants for the benefit of the holders of the Bonds. The District is required to observe these covenants for so long as it remains obligated to pay the Bonds. Under the covenants, the District will be obligated to provide certain updated financial information and operating data annually, as well as timely notice of specified events, to the Municipal Securities Rulemaking Board or any successor to its function as a repository (the "MSRB"), through its Electronic Municipal Market Access ("EMMA") system.

Annual Reports

The District will provide certain updated financial information and operating data to the EMMA annually. The information to be updated includes all quantitative financial information and operating data with respect to the District of the general type included in this Official Statement under the headings "DISTRICT DEBT" (excluding the subsection titled "Direct and Estimated Overlapping Debt Statement"), "TAX DATA," and "APPENDIX A." The District will update and provide this information within six months after the end of each of its fiscal years ending in or after 2023.

Any information so provided shall be prepared in accordance with generally accepted auditing standards or other such principles as the District may be required to employ from time to time pursuant to state law or regulation and audited if the audit report is completed within the period during which it must be provided. If the audit report is not complete within such period, then the District shall provide unaudited financial statements for the applicable fiscal year to the MSRB within such six-month period and audited financial statements when and if the audit report becomes available.

The District's fiscal year end is currently 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 EMMA of the change.

Event Notices

The District will provide timely notices of certain events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other events affecting the tax-exempt status of the Bonds; (7) modifications to rights of beneficial owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District or other obligated person within the meaning of SEC Rule 15c2-12; (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person within the meaning of SEC Rule 15c2-12 or the sale of all or substantially all of the assets of the District or other obligated person within the meaning of the SEC Rule 15c2-12, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District or other obligated person within the meaning of SEC Rule 15c2-12, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or other obligated person within the meaning of SEC Rule 15c2-12, 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 within the meaning of SEC Rule 15c2-12, any of which reflect financial difficulties. The term "material" when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Order makes any provision for debt service reserves or liquidity enhancement. The term "financial obligation" when used in this paragraph shall have the meaning ascribed to it under federal securities laws including meaning a (i) debt obligation; (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term "financial obligation" does not include municipal securities for which a final official statement has been provided to the MSRB consistent with SEC Rule 15c2-12. In addition, the District will provide timely notice of any failure by the District to provide information, data, or financial statements in accordance with its agreement described above under "Annual Reports."

Availability of Information from EMMA

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

Limitations and Amendments

The District has agreed to update information and to provide notices of certain events only as described above. The District has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The District makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The District disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders 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 changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or operations of the District, but only if (1) the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering made hereby in compliance with the SEC Rule 15c2-12, taking into account any amendments or interpretations of SEC Rule 15c2-12 to the date of such amendment, as well as such changed circumstances, and (2) either (a) the holders of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or (b) any qualified professional unaffiliated with the District (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. 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. The District may also amend or repeal its continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the SEC Rule 15c2-12 or a court of final jurisdiction enters judgment that such provisions of such SEC Rule 15c2-12 are invalid, and the District also may amend its continuing disclosure agreement in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds.

Compliance with Prior Undertaking

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

OFFICIAL STATEMENT

General

The information contained in this Official Statement has been obtained primarily from the Master Developer, the District's records, the Engineer, the Tax Assessor/Collector, the Appraisal District, and other sources believed to be reliable; however, no representation is made as to the accuracy or completeness of the information contained herein, except as described below. The summaries of the statutes, resolutions and engineering and other related reports set forth herein are included 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.

The District's audited financial statements for the year ended July 31, 2022, were prepared by McCall Gibson Swedlund Barfoot PLLC and have been included herein as "APPENDIX A." McCall Gibson Swedlund Barfoot PLLC has consented to the publication of such financial statements in this Official Statement. The district has not yet prepared an audit for Fiscal Year ending July 31, 2023 which shall be provided no later than January 2024. The Bookkeeper's Report has been included herein as "APPENDIX B".

Experts

The information contained in this Official Statement relating to engineering and to the description of the Single Family Defined Area Road System and the Single Family Defined Area Utility System, and, in particular, that engineering information included in the sections entitled "THE BONDS—Use and Distribution of Bond Proceeds," "THE DISTRICT—Description," "DEVELOPMENT OF THE DISTRICT—Status of Development within the District," and "THE SYSTEM" has been provided by the Engineer and has been included herein in reliance upon the authority of said firm as an expert in the field of civil engineering.

The information contained in this Official Statement relating to assessed valuations of property generally and, in particular, that information concerning collection rates and valuations contained in the sections captioned "TAX DATA" and "DISTRICT DEBT" was provided by the Tax Assessor/Collector and the Appraisal District. Such information has been included herein in reliance upon the Tax Assessor/Collector's authority as an expert in the field of tax collection and the Appraisal District's authority as an expert in the field of property appraisal.

Certification as to Official Statement

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

Updating of 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 Initial Purchaser, of any adverse event which causes the Official Statement to be materially misleading, and unless the Initial Purchaser elects to terminate its obligation to purchase the Bonds, the District will promptly prepare and supply to the Initial Purchaser an appropriate amendment or supplement to the Official Statement satisfactory to the Initial Purchaser; provided, however, that the obligation of the District to so amend or supplement the Official Statement will terminate when the District delivers the Bonds to the Initial Purchaser, unless the Initial Purchaser 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 (but not more than 90 days after the date the District delivers the Bonds) until all of the Bonds have been sold to ultimate customers.

CONCLUDING STATEMENT

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

This Official Statement was approved by the Board of Directors of North Parkway Municipal Management District No. 1 as of the date shown on the cover page.

/s/ Greg Leveling
President, Board of Directors
North Parkway Municipal Management District No. 1

ATTEST:

/s/ Robert Klarer
Secretary, Board of Directors
North Parkway Municipal Management District No. 1

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APPENDIX A
FINANCIAL STATEMENTS OF THE DISTRICT - 2022

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NORTH PARKWAY MUNICIPAL MANAGEMENT DISTRICT NO. 1

COLLIN COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

JULY 31, 2022

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

NORTH PARKWAY MUNICIPAL MANAGEMENT DISTRICT NO. 1

COLLIN COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

JULY 31, 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
North Parkway Municipal Management District No. 1
Collin County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of North Parkway Municipal Management District No. 1 (the "District") as of and for the year ended July 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and, 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.

Board of Directors
North Parkway Municipal Management District No. 1

Supplementary 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 an 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

February 13, 2023

NORTH PARKWAY MUNICIPAL MANAGEMENT DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2022

Management's discussion and analysis of North Parkway Municipal Management District No. 1's (the "District") financial performance provides an overview of the District's financial activities for the year ended July 31, 2022. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District's financial 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 developer advances as well as operating and administrative costs. The Debt Service Fund accounts for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes. The Capital Projects Fund accounts for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

FUND FINANCIAL STATEMENTS (Continued)

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

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. The adjustment 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"). 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 $12,644,189 as of July 31, 2022. The following is a comparative analysis of government-wide changes in net position:

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	Summary of Changes in the Statement of Net Position		
	2022	2021	Change Positive (Negative)
Current and Other Assets	$ 72,150,852	$ 1,800	$ 72,149,052
Construction in Progress	12,014,380		12,014,380
Total Assets	$ 84,165,232	$ 1,800	$ 84,163,432
Due to Developer	$ 317,141	$ 2,185	$ (314,956)
Bonds Payable	94,604,336		(94,604,336)
Other Liabilities	1,887,944	34,956	(1,852,988)
Total Liabilities	$ 96,809,421	$ 37,141	$ (96,772,280)
Net Position:			
Net Investment in Capital Assets	$ (24,225,544)	$	$ (24,225,544)
Restricted	11,901,140		11,901,140
Unrestricted	(319,785)	(35,341)	(284,444)
Total Net Position	$ (12,644,189)	$ (35,341)	$ (12,608,848)

The following table provides a summary of the District's operations for the year ending July 31, 2022 and the inception period ending July 31, 2021.

	Summary of Changes in the Statement of Activities		
	2022	2021	Change Positive (Negative)
Revenues:			
Investment and Contribution	$ 8,381,678	$	$ 8,381,678
Expenses for Services	20,990,526	35,341	(20,955,185)
Change in Net Position	$ (12,608,848)	$ (35,341)	$ (12,573,507)
Net Position, Beginning of Year	(35,341)		(35,341)
Net Position, End of Year	$ (12,644,189)	$ (35,341)	$ (12,608,848)

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUND

The District has a combined fund balance in the amount of $71,912,024 as of July 31, 2022, an increase of $71,945,180 from the prior year.

The General Fund fund balance increased by $30,512 due to developer advances and bond proceeds exceeding operating costs.

The Debt Service Fund was created in the current fiscal year with proceeds from the sale of bonds and had a fund balance of $13,550,256 at fiscal year-end.

The Capital Projects Fund was created in the current fiscal year with proceeds from the sale of bonds and had a fund balance of $58,364,412 at fiscal year-end.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors adopted an unappropriated budget for the current fiscal year and amended it to increase projected operating costs and developer advances. Actual revenues were $384 more than budgeted revenues, actual expenditures were $106,809 more than budgeted expenditures and other financing sources were $136,937 more than budgeted. This resulted in a positive budget variance of $30,512. See the budget to actual comparison for further information.

CAPITAL AND INTANGIBLE ASSETS

As of July 31, 2022, the District does not have any capital or intangible assets. Ongoing capital costs for public improvements are classified as construction in progress until the improvements are completed when they will be conveyed to the City of Celina, Texas for ownership and maintenance.

LONG TERM DEBT ACTIVITY

At the end of the current fiscal year, the District had total bond debt payable of $94,475,000. The changes in the debt position of the District during the fiscal year ended July 31, 2022, are summarized as follows:

Bond Debt Payable, August 1, 2021	$ - 0 -
Add: Bond Sales	94,475,000
Bond Debt Payable, July 31, 2022	$ 94,475,000

The District bonds are not rated.

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 North Parkway Municipal Management District No. 1, c/o Winstead PC, 2728 N. Harwood Street, Suite 500, Dallas, Texas 75201.

NORTH PARKWAY MUNICIPAL MANAGEMENT DISTRICT NO. 1
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
JULY 31, 2022

	General Fund	Debt Service Fund
ASSETS		
Cash	$ 97,571	$
Investments	138,613	13,550,256
Construction in Progress		
TOTAL ASSETS	$ 236,184	$ 13,550,256
LIABILITIES		
Accounts Payable	$ 238,828	$
Accrued Interest Payable		
Due to Developer		
Long-Term Liabilities:		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	$ 238,828	$ -0-
FUND BALANCES		
Restricted for Authorized Construction	$	$
Restricted for Debt Service		13,550,256
Unassigned	(2,644)	
TOTAL FUND BALANCES	$ (2,644)	$ 13,550,256
TOTAL LIABILITIES AND FUND BALANCES	$ 236,184	$ 13,550,256
NET POSITION		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
TOTAL NET POSITION		

Capital Projects Fund	Total	Adjustments	Statement of Net Position
$	$ 97,571	$	$ 97,571
58,364,412	72,053,281		72,053,281
		12,014,380	12,014,380
$ 58,364,412	$ 72,150,852	$ 12,014,380	$ 84,165,232
$	$ 238,828	$	$ 238,828
		1,649,116	1,649,116
		317,141	317,141
		94,604,336	94,604,336
$ -0-	$ 238,828	$ 96,570,593	$ 96,809,421
$ 58,364,412	$ 58,364,412	$ (58,364,412)	$
	13,550,256	(13,550,256)	
	(2,644)	2,644	
$ 58,364,412	$ 71,912,024	$ (71,912,024)	$ -0-
$ 58,364,412	$ 72,150,852		
		$ (24,225,544)	$ (24,225,544)
		11,901,140	11,901,140
		(319,785)	(319,785)
		$ (12,644,189)	$ (12,644,189)

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NORTH PARKWAY MUNICIPAL MANAGEMENT DISTRICT NO. 1
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JULY 31, 2022

Total Fund Balances - Governmental Funds		$ 71,912,024
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Construction in progress in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		12,014,380
Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year end consist of:		
Due to Developer	$ (317,141)	
Accrued Interest Payable	(1,649,116)	
Bonds Payable	(94,604,336)	(96,570,593)
Total Net Position - Governmental Activities		$ (12,644,189)

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

NORTH PARKWAY MUNICIPAL MANAGEMENT DISTRICT NO. 1
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JULY 31, 2022

	General Fund	Debt Service Fund
REVENUES		
Investment Revenues	$ 384	$ 33,493
Contribution by Developer-Bonds		
TOTAL REVENUES	$ 384	$ 33,493
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	$ 371,473	$
Contracted Services	53,195	
Other	30,160	
Conveyance of Assets		
Capital Outlay		
Debt Service:		
Bond Interest		1,673,548
Bond Issuance Costs		
TOTAL EXPENDITURES/EXPENSES	$ 454,828	$ 1,673,548
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES	$ (454,444)	$ (1,640,055)
OTHER FINANCING SOURCES (USES)		
Long-Term Debt Issued	$ 170,000	$ 15,190,311
Bond Discount		
Bond Premium		
Developer Advances	314,956	
TOTAL OTHER FINANCING SOURCES (USES)	$ 484,956	$ 15,190,311
NET CHANGE IN FUND BALANCES	$ 30,512	$ 13,550,256
CHANGE IN NET POSITION		
FUND BALANCES(DEFICIT)/NET POSITION - AUGUST 1, 2021	(33,156)	
FUND BALANCES(DEFICIT)/NET POSITION - JULY 31, 2022	$ (2,644)	$ 13,550,256

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

Capital Projects Fund	Total	Adjustments	Statement of Activities
$ 146,523	$ 180,400	$	$ 180,400
8,201,278	8,201,278		8,201,278
$ 8,347,801	$ 8,381,678	$ - 0 -	$ 8,381,678
$	$ 371,473		$ 371,473
	53,195		53,195
	30,160		30,160
		4,833,180	4,833,180
16,847,560	16,847,560	(16,847,560)	
	1,673,548	1,645,784	3,319,332
12,383,186	12,383,186		12,383,186
$ 29,230,746	$ 31,359,122	$ (10,368,596)	$ 20,990,526
$ (20,882,945)	$ (22,977,444)	$ 10,368,596	$ (12,608,848)
$ 79,114,689	$ 94,475,000	$ (94,475,000)	$
(29,162)	(29,162)	29,162	
161,830	161,830	(161,830)	
	314,956	(314,956)	
$ 79,247,357	$ 94,922,624	$ (94,922,624)	$ -0-
$ 58,364,412	$ 71,945,180	$ (71,945,180)	$
		(12,608,848)	(12,608,848)
	(33,156)	(2,185)	(35,341)
$ 58,364,412	$ 71,912,024	$ (84,556,213)	$ (12,644,189)

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

NORTH PARKWAY MUNICIPAL MANAGEMENT DISTRICT NO. 1
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, 2022

Net Change in Fund Balances - Governmental Funds	$ 71,945,180
Amounts reported for governmental activities in the Statement of Activities are different because:	
In the Statement of Activities, conveyance of assets to other governmental activities is recorded as an expense.	(4,833,180)
Governmental funds report capital expenditures as expenditures in the period purchased. However, in the Statement of Net Position, capital assets and intangible assets are increased by new purchases and the Statement of Activities is not affected.	16,847,560
Governmental funds report bond premiums and bond discounts as other financing sources or uses in the year received or paid. However, in the Statement of Net Position, the bond premiums and bond discounts are amortized over the life of the bonds and the current year amortized portion is recorded in the Statement of Activities.	(132,668)
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.	(1,645,784)
Governmental funds report bond proceeds as other financing sources. Issued bonds increase long-term liabilities in the Statement of Net Position.	(94,475,000)
Governmental funds report developer advances as other financing sources. However, in the Statement of Net Position, developer advances are recorded as a liability.	(314,956)
Change in Net Position - Governmental Activities	$ (12,608,848)

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

NOTE 1. CREATION OF DISTRICT

North Parkway Municipal Management District No. 1 (the "District") was created in 2019, through the acts of the 86th Texas Legislature. The District is empowered to facilitate the construction and continued maintenance of quality mixed-used residential and commercial development to benefit the residents of the City of Celina, Texas (the "City") authorized under the legislation or Chapter 375, Local Government Code. The legislation empowers the District to levy special assessments to fund public improvements that benefit all or a substantial portion of the District. The Board of Directors held its organizational meeting on February 12, 2021. The first bonds were sold on October 28, 2021.

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 Texas Commission on Environmental Quality.

The District is a political subdivision of the State of Texas governed by an appointed 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 appointed 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:

- 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.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

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

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

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

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

Governmental Funds

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

General Fund - To account for developer advances, as well as operating and administrative costs.

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 revenue reported in governmental funds to be available if they are collectable within 60 days after year end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures when payment is due.

Property taxes considered available by the District and included in revenue include 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 reasonably 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.

Capital and Intangible Assets

The District will not own any capital assets. As public infrastructure is constructed, it will be conveyed to the City for ownership and maintenance and will be accounted for as intangible assets. See Notes 5 and 8.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – General Fund presents the original budget and revised budget amounts, if revised, compared to the actual amounts of revenues and expenditures for the current year.

Pensions

The District has not established a pension plan as the District does not have employees. The Internal Revenue Service has determined that the 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. 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.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

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

	Contract Revenue Series 2021	Special Assessment Revenue Series 2021
Amount Outstanding July 31, 2022	$ 13,300,000	$ 81,175,000
Interest Rates	3.00% - 4.25%	3.625% – 5.00%
Maturity Date	September 15, 2023/2051	September 15, 2024/2051
Interest Payment Dates	September 15/ March 15	September 15/ March 15
Callable Dates	September 15, 2031*	September 15, 2031*

* Or any date thereafter at a price of par plus unpaid accrued interest in whole or in part, at the option of the District. Series 2021 Contract Revenue term bonds maturing on September 15, 2026, 2031, 2041 and 2051 are subject to mandatory redemption beginning September 15, 2024, 2027, 2032 and 2042, respectively. Series 2021 Special Assessment Revenue term bonds maturing September 15, 2026, 2031, 2041, and 2051 are subject to mandatory redemption beginning September 15, 2024, 2027, 2032, and 2042, respectively.

NOTE 3. LONG-TERM DEBT (Continued)

The following is a summary of transactions regarding bonds payable for the year ended July 31, 2022:

	August 1, 2021	Additions	Retirements	July 31, 2022
Bonds Payable	$	$ 94,475,000	$	$ 94,475,000
Unamortized Discounts		(29,162)	(732)	(28,430)
Unamortized Premiums		161,830	4,064	157,766
Total Bonds Payable, Net	$ -0-	$ 94,607,668	$ 3,332	$ 94,604,336

Amount Due Within One Year	$ -0-
Amount Due After One Year	94,604,336
Bonds Payable, Net	$ 94,604,336

As of July 31, 2022, the District had authorized but unissued bonds in the amount of $96,608,185 for Utility Bonds, $180,760,230 for Utility Refunding Bonds, $111,193,200 for Road Bonds and $198,991,500 for Road Refunding Bonds. The levy of ad valorem taxes to provide for the payment of all bonds has also been authorized. See Note 10 for further information on Contract Revenue Bonds and Special Assessment Revenue Bonds.

As of July 31, 2022, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2023	$	$ 4,397,644	$ 4,397,644
2024	277,000	4,393,489	4,670,489
2025	1,715,000	4,359,140	6,074,140
2026	1,779,000	4,297,614	6,076,614
2027	1,845,000	4,233,779	6,078,779
2028-2032	10,448,000	19,959,335	30,407,335
2033-2037	13,082,000	17,378,869	30,460,869
2038-2042	16,627,000	13,947,323	30,574,323
2043-2047	21,268,000	9,442,433	30,710,433
2048-2052	27,434,000	3,503,023	30,937,023
	$ 94,475,000	$ 85,912,649	$ 180,387,649

NOTE 4. 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 $97,571 and the bank balance was $38,892. The District was not exposed to custodial credit risk at year-end.

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position as of July 31, 2022, as listed below:

	Cash
DEPOSITS - GENERAL FUND	$ 97,571

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.

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

As of July 31, 2022, the District had the following investments:

Fund and Investment Type	Fair Value	Maturities of Less Than 1 Year
GENERAL FUND		
Wilmington Trust	$ 138,613	$ 138,613
DEBT SERVICE FUND		
Wilmington Trust	13,550,256	13,550,256
CAPITAL PROJECTS FUND		
Wilmington Trust	58,364,412	58,364,412
TOTAL INVESTMENTS	$ 72,053,281	$ 72,053,281

Credit risk the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At July 31, 2022, the District's investments in the Wilmington Trust money market mutual funds were rated AAAm by Standard and Poor's.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investments in the Wilmington Trust money market mutual funds to have a maturity of less than one year due to the fact that the share positions can be redeemed per the terms of the Indenture of Trust Agreements, unless there has been a significant change in value.

Restrictions

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

NOTE 5. CAPITAL ASSETS AND INTANGIBLE ASSETS

The District currently has no capital assets or intangible assets. Ongoing capital costs for public improvements are classified as construction in progress until the improvements are completed when they will be conveyed to the City for ownership and maintenance.

NOTE 6. MAINTENANCE TAX

On November 2, 2021, the voters of the District approved the levy and collection of a maintenance tax not to exceed $1.20 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 facilities as well as any other lawfully authorized purpose. During the year ended July 31, 2022, the District did not levy a maintenance tax.

NOTE 7. DUE TO DEVELOPER

The District has executed agreements for the construction of improvements and reimbursement of advances with the Master Developer within the District. The agreement calls for the Master Developer to fund costs associated with water, wastewater, drainage, and road facilities and operating advances until such time as the District can sell bonds. As reflected in the Statement of Net Position, $317,141 has been recorded as a liability for operating advances.

The following table summarizes the current year activity related to unreimbursed developer costs for operating advances:

Due to Master Developer, August 1, 2021	$	2,185
Additions		314,956
Due to Master Developer, July 31, 2022	$	317,141

NOTE 8. DEVELOPMENT AGREEMENT

Dynavest Joint Venture, the predecessor Master Developer to MM Celina 3200, LLC, entered into a Development, Settlement and Annexation Agreement with the City effective September 8, 2020. The Agreement has been amended on August 2, 2021 and September 14, 2021. Pursuant to the Agreement, the Master Developer has agreed to construct certain public improvements for the benefit of the Development. The Agreement provides the scope of the public improvements to be constructed, sets forth conditions for the issuance of bonds by the District and rules and regulations for the construction of the public improvements and provides the process for the development of all property within the Development. The bonds will be issued to provide funds for the costs of the public improvements and the Master Developer will pay or be reimbursed for the costs of the public improvements from proceeds of the bonds.

The Agreement also requires the City to construction a certain water line and a wastewater treatment plant.

Pursuant to the Agreement, the City, District and Master Developer have agreed to set certain capital recovery fees for single-family residential lots and the City has created a tax increment reinvestment zone contiguous with the District.

NOTE 8. DEVELOPMENT AGREEMENT (Continued)

Upon completion, the public improvements will be conveyed to the City for ongoing operation and maintenance.

NOTE 9. PUBLIC IMPROVEMENT DISTRICT

The Legacy Hills Public Improvement District (the "PID") was created by the City pursuant to Resolution No. 2021-84R approved by the City Council of the City on September 14, 2021. The PID includes approximately 331.5 acres of land located within the District and was formed pursuant to the Public Improvement District Act, being Chapter 372 of the Texas Local Government Code, as amended (the "PID Act") and the Act, as amended, to finance certain local public improvements benefitting the property within the PID (the "PID Public Improvements"). The construction of the PID Public Improvements may be funded by MM Celina 294, LLC, a Texas limited liability company (“MM Celina 294”) and MM Celina 40, LLC, a Texas limited liability company (“MM Celina 40” and collectively with MM Celina 294, the “PID Developers”), affiliates of the Developer, with reimbursement from assessment revenues or from the proceeds of assessment revenue bonds secured by the assessments.

The Legacy Hills Public Improvement District Service and Assessment Plan (the "Service and Assessment Plan") was prepared at the direction of the City Council of the City identifying the PID Public Improvements to be financed by the PID, as well as the estimated costs, the indebtedness to be incurred and the manner of assessing the property in the PID for such costs. The estimated costs of the PID Public Improvements is $40,000,000.00. Pursuant to Sections 372.013, 372.014, and 372.016 of the PID Act, the update of the Service and Assessment Plan (the "Annual Service and Assessment Plan Update") includes an update to the service plan, an update to the assessment plan, and the assessment rolls identifying the assessments on each parcel, based on the method of assessment set forth in the Service and Assessment Plans and pursuant to the Annual Service Plans Update.

The City entered into two separate reimbursement agreements (the “City Reimbursement Agreements”) with the District relating to utilization of assessments levied within the PID and the payment of costs of the PID Public Improvements. Pursuant to the City Reimbursement Agreements, the City has levied assessments (the “City PID Assessments”) in the amount of $13,300,000 on a portion of the land within the PID (consisting of approximately 154 acres located in the PID) (the “City PID Assessed Property”) on October 12, 2021 to assist with funding the PID Public Improvements for the first phases of development within the PID on the City PID Assessed Property. The District has issued an initial series of contract revenue bonds in the amount of $13,300,000 (the “District Contract Revenue Bonds”) to provide upfront financing to fund the PID Public Improvements. The District Contract Revenue Bonds are secured by payments to be made under an interlocal agreement by and between the City and the District consisting primarily of the City PID Assessments.

NOTE 9. PUBLIC IMPROVEMENT DISTRICT (Continued)

It is expected that the District will issue one or more series of additional bonds (collectively, the "Future PID Contract Revenue Bonds") to finance the cost of PID Public Improvements benefitting each distinct portion of the PID developed as an individual phase after the first phase (each a "Future Phase" and collectively, the "Future Phases"). Such Future PID Contract Revenue Bonds will be secured by a pledge of revenues to be received by the District under an interlocal agreement, which are expected to consist of separate assessments levied by the City pursuant to the PID Act on assessable property within the applicable Future Phase in the PID.

NOTE 10. INDENTURE OF TRUST AGREEMENTS

The District entered into separate Indenture of Trust Agreements (the "District Agreements") for the Series 2021 Assessment Bonds, dated as of October 1, 2021, Series 2021 Contract Revenue Bonds, dated October 1, 2021, and Series 2022 Assessment Bonds (See Note 13) dated August 1, 2022 with Wilmington Trust, National Association, as Trustee ("Trustee"). The District Agreements were entered into with the Trustee for the purpose of establishing various funds and assigning and pledging the monies held by Trustee to provide for and secure the payment of principal and interest on the Series 2021 Assessment Bonds, Series 2021 Contract Revenue Bonds, and Series 2022 Assessment Bonds and payments of certain other related obligations. The Trustee is responsible for allocating certain available monies of the District in accordance with the terms of the District Agreements. The following are certain requirements and provisions of the Agreements.

The Public Finance Authority entered into an Indenture of Trust Agreement (the "PFA Agreement" and together with the District Agreements, the "Agreements") for the Series 2021 Certificates of Participation, dated December 17, 2021 with the Trustee. The PFA Agreement was entered into with the Trustee for the purpose of establishing various funds and assigning and pledging the monies held by Trustee to provide for and secure the payment of principal and interest on the Series 2021 Certificates of Participation and payments of certain other related obligations. The Trustee is responsible for allocating certain available monies of the Public Finance Authority in accordance with the terms of the PFA Agreement. The debt for the Certificates and related obligations are the responsibility of the City, not the District.

The following are certain requirements and provisions of the Agreements:

Pledged Revenue Fund

Pursuant to the District Agreements, a separate Pledged Revenue Fund is established for the Series 2021 Assessment Bonds, Series 2021 Contract Revenue Bonds, and Series 2022 Assessment Bonds to be held by the Trustee.

NOTE 10. INDENTURE OF TRUST AGREEMENTS (Continued)

With respect to the Series 2021 Assessment Bonds and the Series 2022 Assessment Bonds, beginning with the first year in which Assessments are being collected, the District shall transfer to the Trustee the Pledged Revenues for deposit into the Pledged Revenue Fund. From amounts deposited to the Pledged Revenue Fund, the District shall transfer or cause to be transferred Assessment Revenue with the Trustee as follows: (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service, including Sinking Fund Installments, on the bonds next coming due, (ii) second, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement, (iii) third, to the Additional Interest Reserve Account, amounts equal to the Additional Interest Reserve Requirement, and (iv) fourth, to pay other costs permitted or authorized by the Act. The Trustee shall deposit Prepayments to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer such prepayments to the Redemption Fund. The Trustee shall deposit Foreclosure Proceeds to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer Foreclosure Proceeds first to the Reserve Account of the Reserve Fund to restore any transfers from the Reserve Fund made with respect to the Assessed Parcel or Assessed Parcels to which the Foreclosure Proceeds relate, and second to the Redemption Fund. After satisfaction of the requirement to provide for the payment of the principal and interest on the Bonds and to fund any deficiency that may exist in the Reserve Account of the Reserve Fund or the Additional Interest Reserve Account, the Trustee, at the direction of the District, may apply any Pledged Revenues remaining for any lawful purpose for which Assessments may be used under the Act.

If, after the foregoing transfers and any transfer from the Reserve Fund, there are insufficient funds to make the payments provided above, the Trustee shall apply the available funds in the Principal and Interest Account first to the payment of interest, then to the payment of principal (including any Sinking Fund Installments) on the Series 2021 Assessment Bonds and the Series 2022 Assessment Bonds.

With respect to the Series 2021 Contract Revenue Bonds, beginning with the first year in which Contract Revenues are received, the District shall transfer to the Trustee the Contract Revenues for deposit into the Pledged Revenue Fund. From amounts deposited to the Pledged Revenue Fund, the District shall transfer or cause to be transferred Pledged Revenues with the Trustee as follows: (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service, including Sinking Fund Installments, on the Bonds next coming due, (ii) second, to the Reserve Fund in an amount to cause the amount in the Reserve Fund to equal the Reserve Fund Requirement, and (iii) third, to pay other costs permitted or authorized by the Act and the PID Act. The Trustee shall deposit Contract Revenues derived from Prepayments, and identified as such by the Administrator, to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer such Contract Revenues to the Redemption Fund. The Trustee shall deposit Contract Revenues derived from Foreclosure Proceeds, and identified as such by the Administrator, to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer such Contract Revenues first to the Reserve Fund

NOTE 10. INDENTURE OF TRUST AGREEMENTS (Continued)

to restore any transfers from the Reserve Fund made with respect to the Assessed Parcel or Assessed Parcels to which the Foreclosure Proceeds relate, and second to the Redemption Fund. After satisfaction of the requirement to provide for the payment of the principal and interest on the Bonds and to fund any deficiency that may exist in the Reserve Fund, the Trustee, at the direction of the District and the City, may apply any Pledged Revenues remaining for any lawful purpose for which Pledged Revenues may be used under the Act and the PID Act.

If, after the foregoing transfers and any transfer from the Reserve Fund, there are insufficient funds to make the payments provided above, the Trustee shall apply the available funds in the Principal and Interest Account first to the payment of interest, then to the payment of principal (including any Sinking Fund Installments) on the Series 2021 Contract Revenue Bonds.

Pursuant to the PFA Agreement, a separate Pledged Revenue Fund is established for the Series 2021 Certificates of Participation to be held by the Trustee. The Trustee shall pay from the Pledged Revenue Fund (a) first, any authorized fees and expenses of the Trustee and any authorized fees and expenses of the Public Finance Authority including, without limitation, the Annual Fee and the Additional Payments when such fees are due and (b) second, on each Certificate Payment Date all of the Pledged Revenues (after the payments in clause (a), if any) in the Pledged Revenue Fund to each Owner in an amount equal to its Certificate Pro Rata Share. "Certificate Payment Date" means, with respect to each Certificate, (a) December 31 of each year, commencing on December 31, 2022, up until the Termination Date, and (b) the Termination Date. "Termination Date" means the earliest to occur of: (i) the date on which the City shall have remitted to the Pledged Revenue Fund collected Capital Recovery Fees for the first 2,011 single family residential lots within the Development, (ii) the date on which the amount of funds collected in the Pledged Revenue Fund from Capital Recovery Fees reaches an aggregate total amount of $20,000,000 and (iii) December 17, 2061.

Reserve Fund

Pursuant to the District Agreements, a separate Reserve Fund is established for the benefit of the Series 2021 Assessment Bonds, Series 2021 Contract Revenue Bonds, and Series 2022 Assessment Bonds and held by the Trustee for each series of the bonds. Pursuant to the District Agreements, the "Reserve Account Requirement" for the Series 2021 Assessment Bonds and Series 2022 Assessment Bonds and the "Reserve Fund Requirement" for the Series 2021 Contract Revenue Bonds shall be the least of: (i) Maximum Annual Debt Service on the bonds as of the date of issuance, (ii) 125% of average Annual Debt Service on the bonds as of the date of issuance, or (iii) 10% of the proceeds (per section 148 of the Code) of the bonds; provided, however, that such amount shall be reduced as a result of an extraordinary, optional or mandatory sinking fund redemption of the bonds, such that the Reserve Account Requirement or Reserve Fund Requirement, as applicable, is reduced by a percentage equal to the pro rata principal amount of Bonds redeemed by such optional redemption divided by the total principal amount of the Outstanding Bonds prior to such redemption.

NOTE 10. INDENTURE OF TRUST AGREEMENTS (Continued)

If, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Series 2021 Assessment Bonds or the Series 2022 Assessment Bonds due on such date, the Trustee shall withdraw first from the Additional Interest Reserve Account of the Reserve Fund and second from the Reserve Account of the Reserve Fund, amounts to cover the amount of such insufficiency. If, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Series 2021 Contract Revenue Bonds due on such date, the Trustee shall withdraw from the Reserve Fund, amounts to cover the amount of such insufficiency. Amounts so withdrawn from the Reserve Fund shall be deposited to the Principal and Interest Account of the Bond Fund and transferred to the Paying Agent/Registrar.

The bond orders for the Series 2021 Assessment Bonds, Series 2021 Contract Revenue Bonds, and Series 2022 Assessment Bonds included forms of agreements that state that the District will provide continuing disclosure of certain financial information and operating data to each nationally recognized municipal securities information repository and the state information depository. This information, along with the audited annual financial statements, is to be provided no later than 10 business days before the expiration of six months after the end of each fiscal year.

NOTE 11. ECONOMIC DEPENDENCY AND DEFICIT FUND BALANCE

The District's Master Developer owns a substantial portion of the taxable property within the District. In addition, the District could be dependent upon the Developer for operating advances to meet its financial obligations. The Master Developer's ability to make full and timely payments of taxes and operating advances could directly affect the District's ability to meet its financial obligations.

As of July 31, 2022, the District's General Fund had a deficit fund balance of $2,644. This deficit is expected to be eliminated in the next fiscal year with developer advances and/or maintenance tax collections.

NOTE 12. BOND SALES

On October 28, 2021, the District issued $81,175,000 of Special Assessment Revenue Bonds, Series 2021. Proceeds from the bonds were used to reimburse the Master Developer for right of way acquisition costs and to fund ongoing road, water, sanitary sewer, storm drainage and District formation costs; provide for capitalized interest; and pay for issuance costs of the bonds.

NOTE 12. BOND SALES (Continued)

On October 28, 2021, the District issued $13,300,000 of Contract Revenue Bonds, Series 2021. Proceeds from the bonds, as well as an $8,201,278 contribution from the City's PID Developers, are being used to fund Phase 1A and 1B improvements; provide for capitalized interest; and pay for issuance costs of the bonds.

NOTE 13. SUBSEQUENT EVENT – BOND SALE

On August 26, 2022, subsequent to year end, the District issued $32,225,000 of Special Assessment Revenue Bonds, Series 2022. Proceeds from the bonds are being used to fund the ongoing major improvements for road, water, sanitary sewer, storm drainage and other soft and miscellaneous costs; provide for capitalized interest; and pay for issuance costs of the bonds.

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NORTH PARKWAY MUNICIPAL MANAGEMENT DISTRICT NO. 1

REQUIRED SUPPLEMENTARY INFORMATION

JULY 31, 2022

NORTH PARKWAY MUNICIPAL MANAGEMENT DISTRICT NO. 1
SCHEDULE F REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JULY 31, 2022

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
REVENUES				
Investment Revenues	$ -0-	$ -0-	$ 384	$ 384
EXPENDITURES				
Service Operations:				
Professional Fees	$ 156,000	$ 276,698	$ 371,473	$ (94,775)
Contracted Services	68,000	47,100	53,195	(6,095)
Other	14,326	24,221	30,160	(5,939)
TOTAL EXPENDITURES	$ 238,326	$ 348,019	$ 454,828	$ (106,809)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ (238,326)	$ (348,019)	$ (454,444)	$ (106,425)
OTHER FINANCING SOURCES(USES)				
Long-Term Debt Issued	$	$	$ 170,000	$ 170,000
Developer Advances	238,326	348,019	314,956	(33,063)
TOTAL OTHER FINANCING SOURCES (USES)	$ 238,326	$ 348,019	$ 484,956	$ 136,937
NET CHANGE IN FUND BALANCE	$ -0-	$ -0-	$ 30,512	$ 30,512
FUND BALANCE(DEFICIT) - AUGUST 1, 2021	(33,156)	(33,156)	(33,156)	
FUND BALANCE(DEFICIT) - JULY 31, 2022	$ (33,156)	$ (33,156)	$ (2,644)	$ 30,512

See accompanying independent auditor's report.

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NORTH PARKWAY MUNICIPAL MANAGEMENT DISTRICT NO. 1

SUPPLEMENTARY INFORMATION REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

JULY 31, 2022

NORTH PARKWAY MUNICIPAL MANAGEMENT DISTRICT NO. 1
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED JULY 31, 2022

PROFESSIONAL FEES:		
Auditing	$	7,000
Engineering		139,111
Legal		225,362
TOTAL PROFESSIONAL FEES	$	371,473
CONTRACTED SERVICES:		
Bookkeeping	$	18,970
Bond Administrator		34,225
TOTAL CONTRACTED SERVICES	$	53,195
ADMINISTRATIVE EXPENDITURES:		
Director Fees	$	12,750
Dues		700
Election Costs		2,750
Insurance		6,737
Office Supplies and Postage		2,083
Payroll Taxes		1,042
Training		900
Travel and Meetings		3,198
TOTAL ADMINISTRATIVE EXPENDITURES	$	30,160
TOTAL EXPENDITURES	$	454,828

See accompanying independent auditor's report.

NORTH PARKWAY MUNICIPAL MANAGEMENT DISTRICT NO. 1
INVESTMENTS
JULY 31, 2022

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
GENERAL FUND					
Wilmington Trust	XXXX2007	Varies	Daily	$ 103,668	$
Wilmington Trust	XXXX6007	Varies	Daily	34,945	
TOTAL GENERAL FUND				$ 138,613	$ -0-
DEBT SERVICE FUND					
Wilmington Trust	XXXX2004	Varies	Daily	$ 5,602,969	$
Wilmington Trust	XXXX2008	Varies	Daily	6,279,171	
Wilmington Trust	XXXX6000	Varies	Daily	38	
Wilmington Trust	XXXX6004	Varies	Daily	808,860	
Wilmington Trust	XXXX6009	Varies	Daily	859,218	
TOTAL DEBT SERVICE FUND				$ 13,550,256	$ -0-
CAPITAL PROJECTS FUND					
Wilmington Trust	XXXX2003	Varies	Daily	$ 41,844,563	$
Wilmington Trust	XXXX2013	Varies	Daily	57,939	
Wilmington Trust	XXXX6003	Varies	Daily	96	
Wilmington Trust	XXXX6011	Varies	Daily	7,943,706	
Wilmington Trust	XXXX6012	Varies	Daily	2,980,953	
Wilmington Trust	XXXX6013	Varies	Daily	3,532,946	
Wilmington Trust	XXXX6014	Varies	Daily	1,987,197	
Wilmington Trust	XXXX6015	Varies	Daily	17,012	
TOTAL CAPITAL PROJECTS FUND				$ 58,364,412	$ -0-
TOTAL - ALL FUNDS				$ 72,053,281	$ -0-

See accompanying independent auditor's report.

NORTH PARKWAY MUNICIPAL MANAGEMENT DISTRICT NO. 1
LONG-TERM DEBT SERVICE REQUIREMENTS
FOR THE YEAR ENDED JULY 31, 2022

	SERIES-2021 CONTRACT REVENUE		
Due During Fiscal Years Ending July 31	Principal Due September 15	Interest Due September 15/ March 15	Total
2023	$	$ 529,866	$ 529,866
2024	277,000	525,711	802,711
2025	285,000	517,281	802,281
2026	292,000	508,626	800,626
2027	300,000	499,746	799,746
2028	308,000	489,664	797,664
2029	318,000	478,318	796,318
2030	328,000	466,609	794,609
2031	339,000	454,519	793,519
2032	350,000	442,031	792,031
2033	361,000	428,468	789,468
2034	375,000	413,750	788,750
2035	388,000	398,488	786,488
2036	403,000	382,668	785,668
2037	418,000	366,248	784,248
2038	433,000	349,228	782,228
2039	449,000	331,588	780,588
2040	465,000	313,308	778,308
2041	483,000	294,348	777,348
2042	501,000	274,668	775,668
2043	519,000	253,619	772,619
2044	540,000	231,115	771,115
2045	561,000	207,719	768,719
2046	583,000	183,409	766,409
2047	607,000	158,121	765,121
2048	631,000	131,814	762,814
2049	656,000	104,465	760,465
2050	682,000	76,033	758,033
2051	710,000	46,453	756,453
2052	738,000	15,683	753,683
	$ 13,300,000	$ 9,873,564	$ 23,173,564

See accompanying independent auditor's report.

NORTH PARKWAY MUNICIPAL MANAGEMENT DISTRICT NO. 1
LONG-TERM DEBT SERVICE REQUIREMENTS
FOR THE YEAR ENDED JULY 31, 2022

	SERIES-2021 SPECIAL ASSESSMENT		
Due During Fiscal Years Ending July 31	Principal Due September 15	Interest Due September 15/ March 15	Total
2023	$	$ 3,867,778	$ 3,867,778
2024		3,867,778	3,867,778
2025	1,430,000	3,841,859	5,271,859
2026	1,487,000	3,788,988	5,275,988
2027	1,545,000	3,734,033	5,279,033
2028	1,607,000	3,671,881	5,278,881
2029	1,680,000	3,602,033	5,282,033
2030	1,757,000	3,528,996	5,285,996
2031	1,838,000	3,452,603	5,290,603
2032	1,923,000	3,372,681	5,295,681
2033	2,011,000	3,284,056	5,295,056
2034	2,114,000	3,186,088	5,300,088
2035	2,222,000	3,083,108	5,305,108
2036	2,335,000	2,974,879	5,309,879
2037	2,455,000	2,861,116	5,316,116
2038	2,581,000	2,741,511	5,322,511
2039	2,713,000	2,615,779	5,328,779
2040	2,852,000	2,483,610	5,335,610
2041	2,998,000	2,344,673	5,342,673
2042	3,152,000	2,198,610	5,350,610
2043	3,314,000	2,040,900	5,354,900
2044	3,493,000	1,870,725	5,363,725
2045	3,681,000	1,691,375	5,372,375
2046	3,880,000	1,502,350	5,382,350
2047	4,090,000	1,303,100	5,393,100
2048	4,311,000	1,093,075	5,404,075
2049	4,544,000	871,700	5,415,700
2050	4,790,000	638,350	5,428,350
2051	5,049,000	392,375	5,441,375
2052	5,323,000	133,075	5,456,075
	$ 81,175,000	$ 76,039,085	$ 157,214,085

See accompanying independent auditor’s report.

NORTH PARKWAY MUNICIPAL MANAGEMENT DISTRICT NO. 1
LONG-TERM DEBT SERVICE REQUIREMENTS
FOR THE YEAR ENDED JULY 31, 2022

Due During Fiscal Years Ending July 31	ANNUAL REQUIREMENTS FOR ALL SERIES		
	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2023	$	$ 4,397,644	$ 4,397,644
2024	277,000	4,393,489	4,670,489
2025	1,715,000	4,359,140	6,074,140
2026	1,779,000	4,297,614	6,076,614
2027	1,845,000	4,233,779	6,078,779
2028	1,915,000	4,161,545	6,076,545
2029	1,998,000	4,080,351	6,078,351
2030	2,085,000	3,995,605	6,080,605
2031	2,177,000	3,907,122	6,084,122
2032	2,273,000	3,814,712	6,087,712
2033	2,372,000	3,712,524	6,084,524
2034	2,489,000	3,599,838	6,088,838
2035	2,610,000	3,481,596	6,091,596
2036	2,738,000	3,357,547	6,095,547
2037	2,873,000	3,227,364	6,100,364
2038	3,014,000	3,090,739	6,104,739
2039	3,162,000	2,947,367	6,109,367
2040	3,317,000	2,796,918	6,113,918
2041	3,481,000	2,639,021	6,120,021
2042	3,653,000	2,473,278	6,126,278
2043	3,833,000	2,294,519	6,127,519
2044	4,033,000	2,101,840	6,134,840
2045	4,242,000	1,899,094	6,141,094
2046	4,463,000	1,685,759	6,148,759
2047	4,697,000	1,461,221	6,158,221
2048	4,942,000	1,224,889	6,166,889
2049	5,200,000	976,165	6,176,165
2050	5,472,000	714,383	6,186,383
2051	5,759,000	438,828	6,197,828
2052	6,061,000	148,758	6,209,758
	$ 94,475,000	$ 85,912,649	$ 180,387,649

See accompanying independent auditor's report.

NORTH PARKWAY MUNICIPAL MANAGEMENT DISTRICT NO. 1
CHANGS IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED JULY 31, 2022

Description	Original Bonds Issued	Bonds Outstanding August 1, 2021
North Parkway Municipal Management District No. 1 Contract Revenue Bonds - Series 2021	$ 13,300,000	$
North Parkway Municipal Management District No. 1 Special Assessment Revenue Bonds - Series 2021	81,175,000	
TOTAL	$ 94,475,000	$ - 0 -

Bond Authority:	Utility Bonds	Road Bonds	Utility Refunding Bonds
Amount Authorized by Voters	$ 96,608,185	$ 111,193,200	$ 180,760,230
Amount Issued			
Remaining to be Issued	$ 96,608,185	$ 111,193,200	$ 180,760,230

Debt Service Fund cash and investments balances as of July 31, 2022:	$ 13,550,256
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 6,012,922

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

Current Year Transactions				
	Retirements		Bonds Outstanding	
Bonds Sold	Principal	Interest	July 31, 2022	Paying Agent
$ 13,300,000		$ 201,644	$ 13,300,000	Wilmington Trust, N.A. Dallas, TX
81,175,000		1,471,904	81,175,000	Wilmington Trust, N.A. Dallas, TX
$ 94,475,000	$ - 0 -	$ 1,673,548	$ 94,475,000	

Road Refunding Bonds
$ 198,991,500
$ 198,991,500

See accompanying independent auditor's report.

NORTH PARKWAY MUNICIPAL MANAGEMENT DISTRICT NO. 1
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - TWO YEARS

	Amounts	
	2022	2021*
REVENUES		
Investment Revenues	$ 384	$ -0-
EXPENDITURES		
Professional Fees	$ 371,473	$ 27,714
Contracted Services	53,195	4,410
Other	30,160	3,217
TOTAL EXPENDITURES	$ 454,828	$ 35,341
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ (454,444)	$ (35,341)
OTHER FINANCING SOURCES (USES)		
Long-Term Debt Issued	$ 170,000	$
Developer Advances	314,956	2,185
TOTAL OTHER FINANCING SOURCES	$ 484,956	$ 2,185
NET CHANGE IN FUND BALANCE	$ 30,512	$ (33,156)
BEGINNING FUND BALANCE (DEFICIT)	(33,156)	
ENDING FUND BALANCE (DEFICIT)	$ (2,644)	$ (33,156)

*Inception Period Ending July 31, 2021

See accompanying independent auditor's report.

Percentage of Total Revenues			
2022		2021*	
100.0	%	N/A	%
96,737.8	%		%
13,852.9			
7,854.2			
118,444.9	%	N/A	%
(118,344.9)	%	N/A	%

See accompanying independent auditor's report.

NORTH PARKWAY MUNICIPAL MANAGEMENT DISTRICT NO. 1
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND - TWO YEARS

	Amounts	
	2022	2021*
REVENUES		
Investment Revenues	$ 33,493	$ -0-
EXPENDITURES		
Debt Service Interest and Fees	$ 1,673,548	$ -0-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ (1,640,055)	$ -0-
OTHER FINANCING SOURCES (USES)		
Long-Term Debt Issued	$ 15,190,311	
NET CHANGE IN FUND BALANCE	$ 13,550,256	$ -0-
BEGINNING FUND BALANCE		
ENDING FUND BALANCE	$ 13,550,256	$ -0-

*Inception Period Ending July 31, 2021

See accompanying independent auditor's report.

Percentage of Total Revenues			
2022		2021*	
100.0	%	N/A	%
4,996.7	%	N/A	%
(4,896.7)	%	N/A	%

See accompanying independent auditor's report.

NORTH PARKWAY MUNICIPAL MANAGEMENT DISTRICT NO. 1
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JULY 31, 2022

District Mailing Address	-	North Parkway Municipal Management District No. 1 c/o Winstead PC 2728 N. Harwood Street Dallas, Texas 75201
District Telephone Number	-	(214) 745-5400

Board Members	Term of Office (Elected or Appointed)	Fees of Office for year ended July 31, 2022	Expense Reimbursements for year ended July 31, 2022	Title
Greg Leveling	08/21 06/25 (Appointed)	$ 2,700	$ 934	President
William Rogers	08/21 06/25 (Appointed)	$ 2,400	$ 385	Vice President
Rob Klarer	09/21 06/25 (Appointed)	$ 2,850	$ 433	Secretary
James Rose	08/21 06/23 (Appointed)	$ 2,700	$ 572	Assistant Secretary
Steve Mitchell	10/21 06/23 (Appointed)	$ 2,250	$ 771	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.

NORTH PARKWAY MUNICIPAL MANAGEMENT DISTRICT NO. 1
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JULY 31, 2022

Consultants:	Date Hired	Fees for the year ended July 31, 2022	Title
Winstead PC	02/12/21	$ 225,362	General Counsel
		$ 3,325,625	Bond Related
McCall Gibson Swedlund Barfoot PLLC	10/06/21	$ 7,000	Auditor
		$ 6,500	Bond Related
Dye & Tovery, LLC	02/12/21	$ 18,970	Bookkeeper
KFM Engineering & Design	08/02/21	$ 2,725,629	Engineer
SAMCO Capital Markets	08/02/21	$ 1,889,500	Financial Advisor
MuniCap, Inc.	08/02/21	$ 104,225	Administrator

See accompanying independent auditor's report.

APPENDIX B
BOOKEEPER'S REPORT 2023

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North Parkway Municipal Management District No. 1
Summary of Funds
November 16, 2023

General Operating Funds	$ 4,769.37
Capital Projects Funds - Wilmington Trust	$ 36,233,389.70
Debt Service Funds - Wilmington Trust	$ 11,813,020.86

Prepared by:

D&T

Dye & Tovery, LLC

PO Box 863657, Plano TX 75086-3657

ph (972) 612-0088 fax (972) 612-0098

Kathi@DyeToveryCPA.com

North Parkway Municipal Management District No. 1
General Operating Fund
November 16, 2023

$	**7,170.51**	**Beginning Balance - Plains Capital Bank Acct #1552**	
	(268.29)	Director - Greg Leveling	*Current Meeting*
	(247.32)	Director - James Rose	*Current Meeting*
	(236.40)	Director - Rob Klarer	*Current Meeting*
	(261.73)	Director - Steve Mitchell	*Current Meeting*
	(238.15)	Director - William Rogers	*Current Meeting*
	238.15	*Void Ck #2198* - William Rogers - Mtg 10/16/23	
	3.62	Interest Income	
$	**6,160.39**	**Ending Balance - Plains Capital Bank #1552**	
	242.07	**Beginning Balance - WT Admin Fund #151672-007**	
	-	Assessments Received	
	47.77	Interest Income	
$	**289.84**	**Ending Balance - WT Admin Fund #151672-007**	
	25.80	**Beginning Balance - WT Admin Fund #152206-007**	
	(1,863.75)	Municap	*Inv #092023-444 thru 9/30/23*
	115.91	Interest Income	
$	**(1,722.04)**	**Ending Balance - WT Admin Fund #152206-007**	
	36.84	**Beginning Balance - WT Admin Fund #157726-014**	
	4.34	Interest Income	
$	**41.18**	**Ending Balance - WT Admin Fund #157726-014**	

North Parkway Municipal Management District No. 1

Wilmington Trustee Accounts - Capital Projects

November 16, 2023

Series 2021 Bonds

Wilmington Trust - SAR MIP Pledged Rev Fund #151672-001

Beginning Balance	$	199,008.84
Interest Income		833.82
Ending Balance	$	199,842.66

Wilmington Trust - SAR MIP MIF Project Fund #151672-003

Beginning Balance	$	17,804,873.87
Aslar Construction		(160,646.40)
CA Construction		(1,267,984.28)
CA Construction		(1,180,296.85)
Casta 3 Construction		(32,763.18)
City of Celina		(25,997.41)
Ellerbee-Walczak, Inc		(89,927.95)
Kimley Horn		(246.23)
Knight Fowler		(96,656.06)
Lenart		(92,000.00)
Mario Sinacola & Sons		(231,505.92)
RPM Construction		(1,166,913.58)
Stormcon LLC		(900.00)
Texas Select Erosion		(88,684.09)
Interest Income		74,582.45
Ending balance	$	13,444,934.37

Wilmington Trust - Add Int Reserve Fund #151672-011

Beginning Balance	$	171,540.18
Interest Income		718.72
Ending Balance	$	172,258.90

Wilmington Trust - Cost of Issuance Fund #151672-013

Beginning Balance	$	60,449.63
Interest Income		253.25
Ending Balance	$	60,702.88

Wilmington Trust - LH #1A-1B Proj Fund #152206-003

Beginning Balance	$	99.92
Interest Income		0.36
Ending Balance	$	100.28

Wilmington Trust - LH Phase 1A Improv Fund #152206-011

Beginning Balance	$	5,894,164.18
Blue Star Materials		(763,374.50)
Stormcon		(600.00)
Texas Select Erosion		(3,200.00)
Interest Income		24,821.19
Ending Balance	$	5,151,810.87

Wilmington Trust - LH Phase 1B Improv Fund #152206-012

Beginning Balance	$	3,030,748.73
CA Construction		(229,677.61)
Knight Fowler		(250.00)
Interest Income		12,702.99
Ending Balance	$	2,813,524.11

Wilmington Trust - LH Phase 1A Dev Im Fund #152206-013

Beginning Balance	$	3,388,916.67
Ellerbee-Walczak, Inc		(11,123.50)
Halff Associates		(47,188.00)
Lenart Development		(63,000.00)
Interest Income		14,198.85
Ending Balance	$	3,281,804.02

Wilmington Trust - LH Phase 1B Dev Im Fund #152206-014

Beginning Balance	$	2,073,318.28
Interest Income		8,686.75
Ending Balance	$	2,082,005.03

Wilmington Trust - Cost of Issurance Fund #152206-015

Beginning Balance	$	17,749.25
Interest Income		74.35
Ending Balance	$	17,823.60

Series 2022 Bonds

Wilmington Trust - Initial Major Imp Fund #157726-007

Beginning Balance	$	72,120.82
Interest Income		302.15
Ending Balance	$	72,422.97

Wilmington Trust - Add'l Major Imp Fund #157726-008

Beginning Balance	$	11,171,362.58
CA Construction		(953,046.71)
Knight Fowler		(1,860.00)
MM Celina		(96,034.17)
RPM Construction		(1,206,145.98)
Stormcon LLC		(300.00)
Texas Select Erosion		(61,594.00)
Interest Income		46,804.16
Ending Balance	$	8,899,185.88

Wilmington Trust - Cost of Issuance Fund #157726-009

Beginning Balance	$	36,819.88
Interest Income		154.25
Ending Balance	$	36,974.13

Total Capital Projects Funds	**$**	**36,233,389.70**

North Parkway Municipal Management District No. 1
Wilmington Trustee Accounts - Debt Service Fund
November 16, 2023

Series 2021 Bonds

Wilmington Trust - Prin & Int Fund #151672-009		
Beginning Balance	$	659.89
Interest Income		543.57
Ending Balance	$	1,203.46
Wilmington Trust - Reserve Fund #151672-004		
Beginning Balance	$	5,845,790.33
Interest Income		24,492.63
Ending Balance	$	5,870,282.96
Wilmington Trust - Capital Interest Fund #151672-008		
Beginning Balance	$	626,180.23
Interest Income		5,859.47
Ending Balance	$	632,039.70
Wilmington Trust - Phase 1A, 1B Fund #152206-000		
Beginning Balance	$	39.24
Interest Income		0.24
Ending Balance	$	39.48
Wilmington Trust - Reserve Fund #152206-004		
Beginning Balance	$	843,914.16
Interest Income		3,535.81
Ending Balance	$	847,449.97
Wilmington Trust - Capital Interest Fund #152206-009		
Beginning Balance	$	-
Interest Income		585.09
Ending Balance	$	585.09
Wilmington Trust- Prin & Int Fund #152206-010		
Beginning Balance	$	90,651.82
Interest Income		853.06
Ending Balance	$	91,504.88

Series 2022 Bonds

Wilmington Trust - Capitalized Interest Fund #157726-004		
Beginning Balance	$	1,935,838.22
Interest Income		9,640.34
Ending Balance	$	1,945,478.56
Wilmington Trust - Reserve Fund #157726-010		
Beginning Balance	$	2,414,321.24
Interest Income		10,115.52
Ending Balance	$	2,424,436.76
Total Debt Service Funds	**$**	**11,813,020.86**

North Parkway Municipal Management District No. 1
Schedule of Debt Service Obligations

MI 1 ***$81,175,000***	**NIC - 4.878%** ***Principal Payment***	***Interest Payment***	***Annual Debt Service***
7/31/2023	-	3,867,777.50	3,867,777.50
7/31/2024	-	3,867,777.50	3,867,777.50
7/31/2025	1,430,000.00	3,841,858.75	5,271,858.75
Remaining Yrs	79,745,000.00	64,461,668.74	144,206,668.74
	81,175,000.00	76,039,082.49	157,214,082.49

MI 2 ***$32,225,000***	**NIC - 5.773%** ***Principal Payment***	***Interest Payment***	***Annual Debt Service***
7/31/2023	-	1,010,619.45	1,010,619.45
7/31/2024	-	1,828,256.28	1,828,256.28
7/31/2025	-	1,828,256.28	1,828,256.28
Remaining Yrs	32,225,000.00	32,118,916.02	64,343,916.02
	32,225,000.00	36,786,048.03	69,011,048.03

Combined Debt Service ***$113,400,000***	***Principal Payment***	***Interest Payment***	***Annual Debt Service***
7/31/2023	-	4,878,396.95	4,878,396.95
7/31/2024	-	5,696,033.78	5,696,033.78
7/31/2025	1,430,000.00	5,670,115.03	7,100,115.03
Remaining Yrs	111,970,000.00	96,580,584.76	208,550,584.76
	113,400,000.00	112,825,130.52	226,225,130.52

North Parkway Municipal Management District No. 1
Budget to Actual Analysis
August 2023 - October 2023, 3 Months

	Aug 23 - Oct 23	YTD Budget	$ Over Budget	% of Budget	Annual Budget	
Revenue						
4500 · Assessments	0.00	0.00	0.00	0%	123,948.00	
Total Revenue	0.00	0.00	0.00	0%	123,948.00	

	Aug 23 - Oct 23	YTD Budget	$ Over Budget	% of Budget	Annual Budget	
Expense						
7001 · Accounting	4,530.86	9,000.00	(4,469.14)	50%	36,000.00	1
7002 · Admin Exp	5,577.60	18,750.00	(13,172.40)	30%	75,000.00	1
7070 · Auditing	20,000.00	0.00	20,000.00	100%	30,000.00	
7190 · Delivery/Courier	15.47	200.00	(184.53)	8%	200.00	
7200 · Director's Fees	3,448.74	4,500.00	(1,051.26)	77%	18,000.00	
7460 · Insurance	0.00	0.00	0.00	0%	5,070.00	
7500 · Legal	23,448.30	45,000.00	(21,551.70)	52%	180,000.00	1
7510 · Membership	750.00	750.00	0.00	100%	4,250.00	
7530 · Office Supplies	0.00	150.00	(150.00)	0%	150.00	
7600 · Trustee Fees	0.00	8,000.00	(8,000.00)	0%	8,000.00	2
7700 · Contingency	0.00	3,333.00	(3,333.00)	0%	13,330.00	
Total Expense	57,770.97	89,683.00	(31,912.03)	64%	370,000.00	

1 **Expenses are under budget.**

2 **No trustee fee invoices have been received yet.**

	Aug 23 - Oct 23	YTD Budget	$ Over Budget	% of Budget	Annual Budget
Other Revenue					
Developer Advance	0.00	0.00	0.00	0%	245,152.00
Interest Revenue	785.03	225.00	560.03	349%	900.00
Total Other Revenue	785.03	225.00	560.03	349%	246,052.00

Financial Advisory Services
Provided By:

SAMCO Capital