OFFICIAL STATEMENT DATED FEBRUARY 26, 2024

IN THE OPINION OF BOND COUNSEL, UNDER EXISTING LAW, INTEREST ON THE BONDS IS EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES AND INTEREST ON THE BONDS IS NOT SUBJECT TO THE ALTERNATIVE MINIMUM TAX ON INDIVIDUALS; HOWEVER, SUCH INTEREST IS TAKEN INTO ACCOUNT IN DETERMINING THE ANNUAL ADJUSTED FINANCIAL STATEMENT INCOME OF APPLICABLE CORPORATIONS FOR THE PURPOSE OF DETERMINING THE ALTERNATIVE MINIMUM TAX IMPOSED ON CORPORATIONS. SEE "TAX MATTERS" FOR A DISCUSSION OF BOND COUNSEL'S OPINION.

The District has **not** designated the Bonds as "qualified tax-exempt obligations" for financial institutions. See "TAX MATTERS—Not Qualified Tax-Exempt Obligations."

NEW ISSUE—Book-Entry-Only **RATING: S&P (AGM Insured) – "AA"**
See "MUNICIPAL BOND INSURANCE" and "RATINGS" herein.

NEW FAIRVIEW MUNICIPAL UTILITY DISTRICT NO. 1

(A Political Subdivision of the State of Texas Located within Wise County)

$5,125,000
UNLIMITED TAX ROAD BONDS
SERIES 2024

Dated: March 1, 2024
Interest Accrues: Date of Delivery **Due: September 1, as shown on inside cover page**

The $5,125,000 Unlimited Tax Road Bonds, Series 2024 (the "Bonds") are obligations of New Fairview Municipal Utility District No. 1 (the "District") and are not obligations of the State of Texas; Wise County, Texas; the City of New Fairview, Texas (the "City"); or any entity other than the District. Neither the full faith and credit nor the taxing power of the State of Texas; Wise County, Texas; the City; nor any entity other than the District is pledged to the payment of the principal of or interest on the Bonds.

The Bonds will be initially registered and delivered only to 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 BOKF, NA, Dallas, Texas, or any successor paying agent/registrar (the "Paying Agent/Registrar") directly to DTC, which will, in turn, remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds. See "THE BONDS—Book-Entry-Only System."

Principal of the Bonds is payable to the registered owner(s) of the Bonds at the principal payment office of the Paying Agent/Registrar upon surrender of the Bonds for payment at maturity or upon prior redemption. Interest on the Bonds accrues from the initial date of delivery (on or about March 27, 2024) (the "Date of Delivery"), and is payable on September 1, 2024, and each March 1 and September 1 thereafter until maturity or prior redemption to the person in whose name the Bonds are registered as of the 15th day of the calendar month next preceding each interest payment date (the "Record Date"). Unless otherwise agreed between the Paying Agent/Registrar and a Registered Owner, such interest is payable by check mailed to such persons or by other means acceptable to such person and the Paying Agent/Registrar. The Bonds are issuable in principal denominations of $5,000 or any integral multiple thereof in fully-registered form only.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by **ASSURED GUARANTY MUNICIPAL CORP. ("AGM").**

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

The Bonds constitute the second (2nd) series of unlimited tax bonds to be issued by the District for the purpose of constructing the roads and improvements in aid thereof (the "Road System") to serve the District. At an election held within the District on May 4, 2019, voters of the District authorized the issuance of the following: $50,816,163 principal amount of unlimited tax bonds for Road System purposes; $97,929,679 principal amount of unlimited tax bonds for the purpose of acquiring or constructing water, sewer and drainage facilities (the "Utility System") to serve the District; $76,224,244 principal amount of unlimited tax bonds for refunding Road System bonds; and $146,894,518 principal amount of unlimited tax bonds for refunding Utility System bonds. Following the issuance of the Bonds, $41,291,163 principal amount of unlimited tax bonds for Road System purposes; $89,979,679 principal amount of unlimited tax bonds for Utility System purposes; $76,224,244 principal amount of unlimited tax bonds for refunding Road System bonds; and $146,894,518 principal amount of unlimited tax bonds for refunding Utility System bonds will remain authorized but unissued. See "THE BONDS—Authority for Issuance."

The Bonds, when issued, will be payable from the proceeds of an annual ad valorem tax, without legal limit as to rate or amount, levied by the District against all taxable property within the District. Investment in the Bonds is subject to risk factors as described herein. See "RISK FACTORS."

The Bonds are offered when, as, and if issued by the District and accepted by the winning bidder for the Bonds (the "Initial Purchaser") subject, among other things, to the approval of the Attorney General of Texas and of certain legal matters by Coats Rose, P.C., Dallas, Texas, Bond Counsel. Delivery of the Bonds through the facilities of DTC is expected on or about March 27, 2024.

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

$5,125,000 UNLIMITED TAX ROAD BONDS, SERIES 2024

$3,990,000 Serial Bonds

Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 644338 (b)	Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 644338 (b)
2026	$ 120,000	5.500%	3.300%	DB8	2037 (c)	$ 200,000	4.000%	3.700%	DN2
2027	125,000	5.500%	3.250%	DC6	2038 (c)	210,000	4.000%	3.800%	DP7
2028	130,000	5.500%	3.200%	DD4	2039 (c)	220,000	4.000%	3.900%	DQ5
2029	135,000	5.500%	3.200%	DE2	2040 (c)	230,000	4.000%	4.000%	DR3
2030 (c)	145,000	3.000%	3.350%	DF9	****	****	****	****	****
2031 (c)	150,000	3.000%	3.400%	DG7	2043 (c)	260,000	4.000%	4.100%	DU6
2032 (c)	155,000	3.250%	3.500%	DH5	2044 (c)	275,000	4.000%	4.120%	DV4
2033 (c)	165,000	3.250%	3.600%	DJ1	2045 (c)	285,000	4.000%	4.140%	DW2
2034 (c)	170,000	3.500%	3.700%	DK8	2046 (c)	300,000	4.000%	4.160%	DX0
2035 (c)	180,000	4.000%	3.500%	DL6	****	****	****	****	****
2036 (c)	190,000	4.000%	3.600%	DM4	2049 (c)	345,000	4.000%	4.200%	EA9

$1,135,000 Term Bonds

$490,000 Term Bond due September 1, 2042 (c)(d) Interest Rate: 4.000% (Price: $98.968) (a) CUSIP No. 644338 DT9 (b)

$645,000 Term Bond due September 1, 2048 (c)(d) Interest Rate: 4.000% (Price: $97.109) (a) CUSIP No. 644338 DZ5 (b)

(a) Information with respect to the initial reoffering yields of the Bonds is the responsibility of the Initial Purchaser (as herein defined). Initial reoffering yields represent the initial offering price, which may be changed for subsequent purchasers. The initial yield indicated above represents 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.

(c) 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. See "THE BONDS—Redemption Provisions—*Optional Redemption*."

(d) Subject to certain mandatory redemption provisions as set forth herein under "THE BONDS—Redemption Provisions—*Mandatory Redemption.*"

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

All of the summaries of the statutes, orders, contracts, records, and engineering and other related reports set forth in the Official Statement are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents, copies of which are available from the District, c/o Coats Rose, P.C., 16000 North Dallas Parkway, Suite 350, Dallas, Texas 75248, upon payment of the costs for duplication thereof.

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

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

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 and Marketing of the Bonds

After requesting competitive bids for the Bonds, the District has accepted the bid resulting in the lowest net effective interest rate to the District, which was tendered by SAMCO Capital Markets, Inc. (the "Initial Purchaser") to purchase the Bonds bearing the interest rates shown under "MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL REOFFERING YIELDS, AND CUSIPS" at a price of 97.013544% of the par value thereof, which resulted in a net effective interest rate of 4.160791%, as calculated pursuant to Chapter 1204 of the Texas Government Code.

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 offering prices, including sales to dealers who may sell the Bonds into investment accounts.

IN CONNECTION WITH THIS OFFERING, THE INITIAL PURCHASER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Securities Laws

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

MUNICIPAL BOND INSURANCE

Bond Insurance Policy

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

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

Assured Guaranty Municipal Corp.

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

AGM's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A1" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On October 20, 2023, KBRA announced it had affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

On July 13, 2023, S&P announced it had affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On March 18, 2022, Moody's announced it had upgraded AGM's insurance financial strength rating to "A1" (stable outlook) from "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2022.

Capitalization of AGM

At September 30, 2023:

- The policyholders' surplus of AGM was approximately $2,569 million.
- The contingency reserve of AGM was approximately $908 million.
- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately $2,048 million. Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of AGM, and (ii) the net unearned premium reserves and net deferred ceding commissions of AGM's wholly owned subsidiary Assured Guaranty UK Limited ("AGUK") and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA ("AGE").

The policyholders' surplus of AGM and the contingency reserves, net unearned premium reserves and net deferred ceding commission income of AGM were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the SEC that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

i. the Annual Report on Form 10-K for the fiscal year ended December 31, 2022 (filed by AGL with the SEC on March 1, 2023);
ii. the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2023 (filed by AGL with the SEC on May 10, 2023);
iii. the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2023 (filed by AGL with the SEC on August 9, 2023); and
iv. the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2023 (filed by AGL with the SEC on November 8, 2023).

All information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

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

Miscellaneous Matters

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

RATINGS

The Bonds are expected to receive an insured rating of "AA" from S&P solely in reliance upon the Policy issued for the Bonds by AGM at the time of delivery of the Bonds. An explanation of the ratings of S&P may only be obtained from S&P. S&P is located at 55 Water Street, New York, New York 10041, telephone number (212) 208-8000 and has engaged in providing ratings for corporate bonds since 1923 and municipal bonds since 1940. Long-term debt ratings assigned by S&P reflect its analysis of the overall level of credit risk involved in financings. At present, S&P assigns long-term debt ratings with symbols "AAA" (the highest rating) through "D" (the lowest rating). The ratings express only the view of S&P at the time the ratings are given. Furthermore, a security rating is not a recommendation to buy, sell or hold securities. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by S&P, if in its judgment, circumstances so warrant.

The District is not aware of any rating assigned the Bonds other than the rating of S&P.

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 BONDS

The District	New Fairview Municipal Utility District No. 1 (the "District"), a political subdivision of the State of Texas, was created by House Bill No. 2912, Chapter 7987, Special District Local Laws Code, Acts of the 85th Texas Legislature, Regular Session 2017, on September 1, 2017, under the authority of Article XVI, Section 59 of the Texas Constitution and Chapters 49 and 54, Texas Water Code, as amended. See "THE DISTRICT."
The Bonds	The District is issuing its $5,125,000 Unlimited Tax Road Bonds, Series 2024 (the "Bonds"). The Bonds are dated March 1, 2024. Interest accrues from the initial date of delivery (on or about March 27, 2024) at the rates shown on the inside cover page hereof, and is payable on September 1, 2024, and on each March 1 and September 1 thereafter until maturity or prior redemption. The Bonds mature on September 1 in the years and in the principal amounts as shown on the inside cover page hereof. The Bonds are offered in fully registered form in integral multiples of $5,000 of principal amount for any one maturity. See "THE BONDS—General."
Redemption Provisions	*Optional Redemption:* The Bonds maturing on and after September 1, 2030, 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 on any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption. See "THE BONDS—Redemption Provisions—*Optional Redemption*." *Mandatory Redemption:* The Bonds maturing on September 1 in the years 2042 and 2048 are term bonds and are also subject to certain mandatory redemption provisions as set forth herein under "THE BONDS—Redemption Provisions—*Mandatory Redemption.*"
Source of Payment	Principal of and interest on the Bonds are payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied by the District against all taxable property located within the District. The Bonds are obligations solely of the District and are not obligations of the State of Texas; Wise County, Texas; the City of New Fairview, Texas (the "City"); or any entity other than the District. See "THE BONDS—Source and Security for Payment."
Authority for Issuance	The Bonds are issued pursuant to (i) an order authorizing the issuance of the Bonds (the "Bond Order") adopted by the board of directors (the "Board"); (ii) Chapter 7987, Special District Local Laws Code; (iii) Article III, Section 52 of the Texas Constitution and the general laws of the State of Texas, including Chapters 49 and 54 of the Texas Water Code, as amended; and (iv) an election held within the District on May 4, 2019. The Bonds are the second (2nd) series of unlimited tax bonds to be issued by the District out of an aggregate $50,816,163 principal amount of unlimited tax bonds for the purpose of constructing roads and improvements in aid thereof (the "Road System") to serve the District. Voters of the District have also authorized the District's issuance of $97,929,679 principal amount of unlimited tax bonds for

the purpose of acquiring or constructing water, sewer and drainage facilities (the "Utility System") to serve the District; $76,224,244 principal amount of unlimited tax bonds for refunding Road System bonds; and $146,894,518 principal amount of unlimited tax bonds for refunding Utility System bonds. See "THE BONDS—Authority for Issuance."

Outstanding Bonds .... The District has previously issued $4,170,000 Unlimited Tax Utility Bonds, Series 2022; $4,400,000 Unlimited Tax Road Bonds, Series 2022; and $3,780,000 Unlimited Tax Utility Bonds, Series 2023. As of delivery of the Bonds, $12,350,000 principal amount of such previously issued bonds will remain outstanding (the "Outstanding Bonds"). See "THE BONDS—Outstanding Bonds."

Payment Record... The District has never defaulted on the timely payment of principal and interest on its prior indebtedness. See "THE BONDS—Source of Payment."

Use of Bond Proceeds.. Proceeds from the sale of the Bonds will be used to reimburse the Developer (herein defined) for the costs of construction for the projects set out herein under "THE BONDS—Use and Distribution of Bond Proceeds." Additionally, proceeds from the sale of the Bonds will be used to pay six (6) months of capitalized interest, developer interest, and miscellaneous costs of issuance associated with the Bonds.

Not Qualified Tax-Exempt Obligations.......... The District has **not** designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended. See "TAX MATTERS—Not Qualified Tax-Exempt Obligations."

Municipal Bond Insurance.................................. Assured Guaranty Municipal Corp. ("AGM"). See "MUNICIPAL BOND INSURANCE."

Ratings.. S&P (AGM insured) – "AA." See "MUNICIPAL BOND INSURANCE" and "RATINGS" herein.

Bond Counsel... Coats Rose, P.C., Dallas, Texas.

Disclosure Counsel .... McCall, Parkhurst & Horton L.L.P., Houston, Texas.

Financial Advisor... Robert W. Baird & Co. Incorporated, Irving, Texas.

Paying Agent/Registrar...................................... BOKF, NA, Dallas, Texas.

THE DISTRICT

Location of the District .... The District is located in southwest Wise County, approximately 23 miles northwest of the central business district of the City of Fort Worth. The District is bounded on the west by State Highway 287 and on the east and south by Pioneer Road. The District consists of approximately 948.270 acres, of which approximately 313.763 acres lie directly within the limits of the City and approximately 634.507 acres lie entirely within the extraterritorial jurisdiction of the City. See "THE DISTRICT—Location of the District."

Authority.. The rights, powers, privileges, authority, and functions of the District are established by Article XVI, Section 59 of the Texas Constitution; Chapter 7987, Special District Local Laws Code; and Chapters 49 and 54, Texas Water Code, as amended, and include, among others, the power to provide road, water, sanitary sewer, and drainage facilities. See "THE DISTRICT—General."

Status of Development.. The District is being developed as the single-family residential community known as "Fairview Meadows." To date, approximately

522.42 acres (409 single-family lots) have been developed within Fairview Meadows, Phases 1–4. As of January 1, 2024, the District included approximately 286 completed homes, approximately 11 homes under construction, and approximately 112 vacant developed lots available for home construction.

The remaining land in the District includes approximately 277.72 acres planned for future development and approximately 148.13 undevelopable acres. See "DEVELOPMENT WITHIN THE DISTRICT—Status of Development."

The Developer/Principal Landowners........... New Fairview 634, LLC, a Texas limited liability company ("New Fairview 634"), is developing the land within the District. New Fairview 634 is also referred to herein as the "Developer." Lackland Fairview, LLC, a Texas limited liability company ("Lackland Fairview"), and FFILP Land Holdings, LLC, a Texas limited liability company ("FFILP") were created for the purpose of purchasing and holding land within the District to be developed by New Fairview 634. Riverside Homebuilders, Ltd., a Texas limited partnership ("Riverside Homebuilders"), whose general partner is Windfall Investments, Inc., oversees the sales and construction of homes within the District. New Fairview 634, Lackland Fairview, FFILP, and Riverside Homebuilders are under common management and ownership.

The Developer has completed the development of approximately 522.42 acres (409 lots) within the District. Lackland Fairview currently owns approximately 112.09 acres within the District and FFILP currently owns approximately 313.76 acres within the District.

See "THE DEVELOPER/PRINCIPAL LANDOWNERS" and "TAX DATA—Principal Taxpayers."

Homebuilder within the District....................... The sole homebuilder within the District is Riverside Homebuilders. The homes being marketed in the District range in size from approximately 2,000 to 3,400 square feet and in price from approximately $425,000 to $575,000. See "DEVELOPMENT WITHIN THE DISTRICT—Homebuilder within the District."

RISK FACTORS

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

SELECTED FINANCIAL INFORMATION

(UNAUDITED)

2023 Taxable Assessed Valuation	$	126,564,210	(a)
Estimate of Valuation as of January 1, 2024	$	156,200,000	(b)
Direct Debt:			
The Outstanding Bonds	$	12,350,000	
The Bonds		5,125,000	
Total	$	17,475,000	
Estimated Overlapping Debt	$	8,790,341	(c)
Total Direct and Estimated Overlapping Debt	$	26,265,341	(c)
Direct Debt Ratios:			
As a percentage of the 2023 Taxable Assessed Valuation		13.81	%
As a percentage of the Estimate of Valuation as of January 1, 2024		11.19	%
Direct and Estimated Overlapping Debt Ratios:			
As a percentage of the 2023 Taxable Assessed Valuation		20.75	%
As a percentage of the Estimate of Valuation as of January 1, 2024		16.82	%
Utility System Debt Service Fund Balance (as of February 12, 2024)	$	671,680	(d)
Road System Debt Service Fund Balance (as of February 12, 2024)	$	441,993	(e)
General Operating Fund Balance (as of February 12, 2024)	$	618,911	
2023 Tax Rate:			
Utility System Debt Service	$	0.3000	
Road System Debt Service		0.1500	
Maintenance & Operation		0.5500	
Total	$	1.0000	
Average Annual Debt Service Requirement on the Bonds and the Outstanding Bonds (2024–2047, high years)	$	1,124,765	(f)
Maximum Annual Debt Service Requirement on the Bonds and the Outstanding Bonds (2038)	$	1,148,503	(f)
Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay Average Annual Debt Service Requirement on the Bonds and the Outstanding Bonds (2024–2047, high years) at 95% Tax Collections:			
Based on the 2023 Taxable Assessed Valuation	$	0.94	
Based on the Estimate of Valuation as of January 1, 2024	$	0.76	
Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay Maximum Annual Debt Service Requirement on the Bonds and the Outstanding Bonds (2038) at 95% Tax Collections:			
Based on the 2023 Taxable Assessed Valuation	$	0.96	
Based on the Estimate of Valuation as of January 1, 2024	$	0.78	
Number of Single-Family Homes		297	(g)

(a) Represents the taxable amount of the assessed value of all taxable property within the District as of January 1, 2023 provided by the Appraisal District (hereinafter defined). See "TAX DATA" and "TAXING PROCEDURES."

(b) Provided by the Appraisal District for informational purposes only. Such value reflects the addition of value of new construction within the District from January 1, 2023, to January 1, 2024. The estimate is based upon the same value unit used in the assessed value. No taxes will be levied on this estimate. See "TAXING PROCEDURES."

(c) See "DISTRICT DEBT—Estimated Overlapping Debt Statement."

(d) Neither Texas law nor the Bond Order (herein defined) requires that the District maintain any particular sum in the Utility System Debt Service Fund, the funds of which are not available to pay debt service on bonds issued by the District for the Road System (herein defined), including the Bonds.

(e) Six (6) months of capitalized interest to be deposited into the Road System Debt Service Fund (herein defined) upon closing of the Bonds. Neither Texas law nor the Bond Order requires that the District maintain any particular sum in the Road System Debt Service Fund, the funds of which are not available to pay debt service on bonds issued by the District for the Utility System (herein defined).

(f) See "DISTRICT DEBT—Debt Service Requirements."

(g) Approximate number of homes, including 286 completed homes and 11 homes under construction, within the District as of January 1, 2024.

OFFICIAL STATEMENT
relating to
NEW FAIRVIEW MUNICIPAL UTILITY DISTRICT NO. 1

$5,125,000
UNLIMITED TAX ROAD BONDS
SERIES 2024

INTRODUCTION

This Official Statement provides certain information with respect to the issuance by New Fairview Municipal Utility District No. 1 (the "District") of its $5,125,000 Unlimited Tax Road Bonds, Series 2024 (the "Bonds").

The Bonds are issued pursuant to (i) an order authorizing the issuance of the Bonds (the "Bond Order") adopted by the board of directors of the District (the "Board"); (ii) Chapter 7987, Special District Local Laws Code; (iii) Article III, Section 52 of the Texas Constitution and the general laws of the State of Texas, including Chapters 49 and 54 of the Texas Water Code, as amended; and (iv) an election held within the District on May 4, 2019.

This Official Statement also includes information about the District, the Developer (hereinafter 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.

Unless otherwise indicated, capitalized terms in this Official Statement have the same meaning assigned to such terms in the Bond Order.

RISK FACTORS

General

The Bonds are obligations of the District and are not obligations of the State of Texas; Wise County, Texas; the City of New Fairview, Texas (the "City"); or any political subdivision other than the District. The Bonds are secured by the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied by the District upon all taxable property located within the District. See "THE BONDS—Source and Security for Payment."

The ultimate security for payment of the principal of and interest on the Bonds depends upon the 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 industry, not only due to general economic conditions, but also due to the particular factors discussed below. See "DEVELOPMENT WITHIN THE DISTRICT," "TAXING PROCEDURES," and "TAX DATA."

Factors Affecting Taxable Values and Tax Payments

Economic Factors: The rate of development within the District is directly related to the vitality of the residential development industry in the Dallas-Fort Worth metropolitan area. New construction can be significantly affected by factors such as interest rates, construction costs, and consumer demand. Decreased levels of such construction activity would restrict the growth of property values in the District. The District cannot predict the pace or magnitude of any future development in the District. See "DEVELOPMENT WITHIN THE DISTRICT—Status of Development."

Location and Access: The District is located approximately 23 miles northwest of the central business district of the City of Fort Worth, Texas. As a result, particularly during times of increased competition, the Developer within the District may be at a competitive disadvantage to the developers of other projects located closer to major urban centers or in a more developed state. See "DEVELOPMENT WITHIN THE DISTRICT—Status of Development."

Competitive Nature of Residential Market: The residential housing industry in and around the City of Fort Worth, Texas is very competitive, and the District can give no assurance that the building programs which are planned by the Developer will be continued or completed. The competitive position of a builder in the sale of single-family residential houses within the District is affected by most of the factors discussed in this section. Such a competitive position directly affects the growth and maintenance of taxable values in the District and tax revenues to be received by the District.

Dependence on Major Taxpayers and the Developer/Principal Landowners: The District's tax base is concentrated in a small number of taxpayers. As reflected in this Official Statement under the caption "TAX DATA—Principal Taxpayers," the District's ten principal taxpayers owned approximately 30.76% of the assessed value of property located in the District based on the 2023 Taxable Assessed Valuation. In addition, the Developer owned approximately 3.66% of the assessed value of property located in the District and Riverside Homebuilders owned approximately 15.04% of the assessed value of property located in the District as of January 1, 2023. The District cannot represent that its tax base will in the future be (i) distributed among a significantly larger number of taxpayers or (ii) less concentrated in property owned by a relatively small number of property owners than it is currently. Failure by the Developer or one or more of the District's principal property owners to make full and timely payments of taxes due may have an adverse effect on the investment quality or security of the Bonds. If any one or more of the principal District taxpayers did not pay taxes due, the District might need to levy additional taxes or use other debt service funds available to meets its debt service requirements, the availability of which is uncertain. See "—Tax Collections and Foreclosure Remedies" below.

The District can make no representation that the taxable property values in the District will increase in the future or will maintain a value sufficient to support the proposed District tax rate or to justify continued payment of taxes by property owners. In 2023, the District levied a total tax rate of $1.00 per $100 of assessed valuation composed of a maintenance and operations tax rate of $0.55 per $100 of assessed valuation, a Utility System debt service tax rate of $0.30 per $100 of assessed valuation and a Road System debt service tax rate of $0.15 per $100 of assessed valuation.

Developer's Obligations to the District: There is no commitment by or legal requirement of the Developer or any other landowner to 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 owner of property to proceed at any particular pace with the construction of homes or commercial improvements 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, in the District. Failure to construct taxable improvements would restrict the rate of growth of taxable values in the District and result in higher tax rates. See "THE DISTRICT," "DEVELOPMENT WITHIN THE DISTRICT—Status of Development," and "THE DEVELOPER/PRINCIPAL LANDOWNERS."

Maximum Impact on District Tax Rate: Assuming no further development or construction of taxable improvements, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of property owners within the District to pay their taxes. The 2023 Taxable Assessed Valuation of all taxable property within the District is $126,564,210 and the Estimate of Valuation as of January 1, 2024 is $156,200,000. See "TAX DATA." After issuance of the Bonds, the maximum annual debt service requirement on the Bonds and the Outstanding Bonds (2038) will be $1,148,503, and the average annual debt service requirement on the Bonds and the Outstanding Bonds (2024–2047, high years) will be $1,124,765. Assuming no increase to or decrease from the District's 2023 Taxable Assessed Valuation, tax rates of $0.96 and $0.94 per $100 of assessed valuation at a 95% tax collection rate would be necessary to pay the maximum annual debt service requirement and the average annual debt service requirement, respectively. Assuming no increase to or decrease from the District's Estimate of Valuation as of January 1, 2024, tax rates of $0.78 and $0.76 per $100 of assessed valuation at a 95% tax collection rate would be necessary to pay the maximum annual debt service requirement and the average annual debt service requirement, respectively. See "DISTRICT DEBT—Debt Service Requirements" and "TAX DATA—Tax Rate Calculations."

Increases in the District's tax rate to rates substantially higher than the levels discussed above may have an adverse impact upon future development of the District, the sale and construction of property within the District, and the ability of the District to collect, and the willingness of owners of property located within the District to pay, ad valorem taxes levied by the District.

Vacant Developed Lots: As of January 1, 2024, approximately 112 developed lots within the District remained available for construction. Future increases in value will result primarily from the construction of homes by homebuilders. The District makes no representation that the lot sales and building program will be successful.

Tax Collections and Foreclosure Remedies

The District's ability to make debt service payments may be adversely affected by its inability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien in favor of the District on a parity with the liens of all other 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 of the Bonds (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 Texas Commission on Environmental Quality ("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.

Future Debt

After the issuance of the Bonds, $41,291,163 principal amount of unlimited tax bonds for the purpose of constructing roads and improvements in aid thereof to serve the District (the "Road System"); $89,979,679 principal amount of unlimited tax bonds for the purpose of acquiring or constructing water, sewer and drainage facilities to serve the District (the "Utility System"); $76,224,244 principal amount of unlimited tax bonds for refunding Road System bonds; and $146,894,518 principal amount of unlimited tax bonds for refunding Utility System bonds will remain authorized but unissued. Additional bonds may hereafter be approved by the voters of the District. 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.

After reimbursement with the proceeds of the Bonds, the District will still owe the Developer approximately $2,500,000 for the construction of the Road System and approximately $14,200,000 for the construction of the Utility System on behalf of the District. The issuance of additional bonds will be necessary to finance the ultimate development of the remaining lands within the District. See "THE BONDS—Issuance of Additional Debt."

Marketability of the Bonds

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 may be greater than the difference between the bid and asked price of bonds of comparable maturity and quality issued by more traditional issuers, since such bonds are more generally bought, sold and traded in the secondary market.

Continuing Compliance with Certain Covenants

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

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.

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.

Environmental Regulations

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

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

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

Air Quality Issues: Air quality control measures required by the United States Environmental Protection Agency (the "EPA") and the TCEQ may impact new industrial, commercial and residential development in the 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 utility districts, including the District, may be required to comply with involve: (1) groundwater well permitting and surface water appropriation; (2) public water supply systems; (3) wastewater discharges from treatment facilities; (4) storm water discharges; and (5) wetlands dredge and fill activities. Each of these is addressed below:

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

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

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

The TCEQ issued the General Permit for Phase II (Small) Municipal Separate Storm Sewer Systems (the "MS4 Permit") on January 24, 2019. The MS4 Permit authorizes the discharge of stormwater to surface water in the state from small municipal separate storm sewer systems. While the District is currently not subject to the MS4 permit, if the District's inclusion were required at a future date, the District could incur substantial costs to develop, implement, and maintain the necessary plans as well as to install or implement best management practices to minimize or eliminate unauthorized pollutants that may otherwise be found in stormwater runoff in order to comply with the MS4 Permit.

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

On May 25, 2023, the Supreme Court of the United States issued its decision in *Sackett v. EPA*, which clarified the definition of "waters of the United States" and significantly restricted the reach of federal jurisdiction under the CWA. Under the *Sackett* decision, "waters of the United States" includes only geographical features that are described in ordinary parlance as "streams, oceans, rivers, and lakes" and to adjacent wetlands that are indistinguishable from such bodies of water due to a continuous surface connection.

While the *Sackett* decision removed a great deal of uncertainty regarding the ultimate scope of "waters of the United States" and the extent of EPA and USACE jurisdiction, operations of municipal utility districts, including the Regional District, could potentially be subject to additional restrictions and requirements, including additional permitting requirements, in the future.

Future and Proposed Legislation

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives, or litigation. The disclosures and opinions expressed herein are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and no opinion is expressed as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Bond Insurance Risk Factors

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

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

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

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

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

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

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. Copies of the Bond Order may be obtained from the District upon request to Coats Rose, P.C., Dallas, Texas, Bond Counsel. The Bond Order authorizes the issuance and sale of the Bonds and prescribes the terms, conditions, and provisions for the payment of the principal of and interest on the Bonds by the District.

Description

The Bonds are dated March 1, 2024 and will mature on September 1 in each of the years and in principal amounts, and will bear interest from the initial date of delivery (on or about March 27, 2024) (the "Date of Delivery") at the rates per annum as set forth on the inside cover page of this Official Statement. Interest on the Bonds will be payable on September 1, 2024, and semiannually thereafter on each March 1 and September 1 (each an "Interest Payment Date") until the earlier of maturity or redemption.

The Bonds are issued in fully registered form in principal denominations of $5,000 or any integral multiple of $5,000 for any one maturity. The Bonds will be registered and delivered only to The Depository Trust Company, New York, New York ("DTC"), in its nominee name of Cede & Co., pursuant to the book-entry system described herein. No physical delivery of the Bonds will be made to the purchasers thereof. See "—Book-Entry-Only System." Interest calculations are based upon a three hundred sixty (360) day year comprised of twelve (12) thirty (30) day months.

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 BOKF, NA, Dallas, Texas (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 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.

Book-Entry-Only System

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

The District cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC 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 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).

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 the 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 the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

Use of Certain Terms in Other Sections of this Official Statement

In reading this Official Statement it should be understood that while the Bonds are in the book-entry form, references in other sections of this Official Statement to registered owners should be read to include the person for which the DTC 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.

Paying Agent/Registrar

The Board has appointed BOKF, NA, Dallas, Texas, as the initial Paying Agent/Registrar for the Bonds. The principal of and interest on the Bonds shall be paid to DTC, which will make distribution of the amounts so paid. Provision is made in the Bond Order for removal of the Paying Agent/Registrar, provided that no such removal shall be effective until a successor paying agent/registrar shall have accepted the duties of the Paying Agent/Registrar under the provisions of the Bond Order. Any successor paying agent/registrar selected by the District shall be a corporation organized and doing business under the laws of the United States of America or of any state authorized under such laws to exercise trust powers, shall have a combined capital and surplus of at least $50,000,000, shall be subject to supervision or examination by federal or state authority, shall be registered as a transfer agent with the SEC and shall have a corporate trust office in the State of Texas.

Record Date

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

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 Dallas, Texas. 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 series and 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.

Authority for Issuance

The bonds authorized by the resident electors of the District, the amount of bonds issued and the remaining authorized but unissued bonds are as follows:

Election Date	Purpose	Amount Authorized	Issued to Date	The Bonds	Remaining Unissued
5/4/2019	Utility System	$ 97,929,679	$ 7,950,000	-	$ 89,979,679
5/4/2019	Road System	50,816,163	4,400,000	$ 5,125,000	41,291,163
5/4/2019	Refunding - Utility System	146,894,518	-	-	146,894,518
5/4/2019	Refunding - Road System	76,224,244	-	-	76,224,244

The Bonds are issued pursuant to (i) the Bond Order; (ii) Chapter 7987, Special District Local Laws Code; (iii) Article III, Section 52 of the Texas Constitution and the general laws of the State of Texas, including Chapters 49 and 54 of the Texas Water Code, as amended; and (iv) an election held within the District on May 4, 2019.

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

Source and Security for Payment

The Bonds are secured by and payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property located within the District. In the Bond Order, the District covenants to levy a sufficient tax to pay principal of and interest on the Bonds, with full allowance being made for delinquencies, costs of collections, and certain fees. See "TAXING PROCEDURES." Investment in the Bonds involves certain elements of risk, and all prospective purchasers are urged to examine carefully this Official Statement with respect to the investment security of the Bonds. See "RISK FACTORS."

The Bonds are obligations solely of the District and are not obligations of the State of Texas; Wise County, Texas; the City; or any political subdivision or entity other than the District.

Funds

The Bond Order confirms the District's fund for debt service on the Bonds, any previously issued unlimited tax bonds issued by the District for the Road System (the "Outstanding Road Bonds"), and any additional unlimited tax bonds issued by the District for the Road System (the "Road System Debt Service Fund"). Six (6) months of capitalized interest on the Bonds will be deposited from the proceeds from sale of the Bonds into the Road System Debt Service Fund. The Road System Debt Service Fund, which constitutes a trust fund for the benefit of the owners of the Bonds, the Outstanding Road Bonds, and any additional unlimited tax bonds issued by the District for the 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, the Outstanding Road Bonds, and any of the District's other duly authorized bonds issued for the Road System payable in whole or in part from taxes. Amounts on deposit in the 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, the Outstanding Road Bonds, and any additional bonds for the 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. Amounts on deposit in the Road System Debt Service Fund may not be used to pay debt service on bonds issued by the District for the Utility System.

In connection with the issuance of the Outstanding Bonds issued for the Utility System (the "Outstanding Utility Bonds") , the District has previously created it's a debt service fund for bonds issued for the Utility System (the "Utility System Debt Service Fund"). The Utility System Debt Service Fund, which constitutes a trust fund for the benefit of the registered owners of the Outstanding Utility Bonds, is to be kept separate from all other funds of the District, and is to be used for payment of debt service on the Outstanding Utility Bonds and any additional unlimited tax bonds issued by the District for the Utility System. Amounts on deposit in the Utility 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 Outstanding Utility Bonds. Amounts on deposit in the Utility System Debt Service Fund may not be used to pay debt service on bonds issued by the District for the Road System, such as the Bonds.

Redemption Provisions

Optional Redemption: The District reserves the right, at its option, to redeem the Bonds maturing on and after September 1, 2030, prior to their scheduled maturities, in whole or from time to time in part, in integral multiples of $5,000, on September 1, 2029, or any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption. If fewer than all of the Bonds are to be redeemed, the particular maturity or maturities and the amounts thereof to be redeemed shall be determined by the District. If fewer than all of the Bonds of the same maturity are to be redeemed, the particular Bonds shall be selected by DTC in accordance with its procedures. See "THE BONDS—Book-Entry-Only System." Notice of each exercise of the reserved right of optional redemption shall be given by the Paying Agent/Registrar at least thirty (30) calendar days prior to the redemption date, in the manner specified in the Bond Order.

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

Mandatory Redemption: The Bonds maturing on September 1 in the years 2042 and 2048 are term bonds (the "Term Bonds") and 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 (the "Mandatory Redemption Date"), and in the principal amount set forth in the following schedule:

$490,000 Term Bond due September 1, 2042

Mandatory Redemption Date	Principal Amount
September 1, 2041	$ 240,000
September 1, 2042 (Maturity)	$ 250,000

$645,000 Term Bond due September 1, 2048

Mandatory Redemption Date	Principal Amount
September 1, 2047	$ 315,000
September 1, 2048 (Maturity)	$ 330,000

The principal amount of the Term Bonds of a maturity required to be redeemed pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the direction of the District, by the principal amount of any Term Bonds of such maturity which, at least fifty (50) days prior to a Mandatory Redemption Date, (1) shall have been acquired by the District at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and cancelled by the Paying Agent/Registrar at the request of the District with monies in the applicable debt service fund at a price not exceeding the principal amount of the Term Bonds plus accrued interest to the date of purchase thereof, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory sinking fund redemption requirements.

Outstanding Bonds

The District has previously issued $4,170,000 Unlimited Tax Utility Bonds, Series 2022; $4,400,000 Unlimited Tax Road Bonds, Series 2022; and $3,780,000 Unlimited Tax Utility Bonds, Series 2023. As of delivery of the Bonds, $12,350,000 principal amount of such previously issued bonds will remain outstanding (the "Outstanding Bonds").

Payment Record

The District has never defaulted on the timely payment of principal and interest on its prior bonded indebtedness.

Annexation

A portion of the District lies within the extraterritorial jurisdiction of the City. Under current law, certain portions of the District may be annexed and dissolved by the City only if (i) such annexation has been approved by a majority of those voting in an election held for that purpose within the area to be annexed and (ii) if the registered voters in the area to be annexed do not own more than 50% of the land in the area, a petition has been signed by more than 50% of the land owners, consenting to annexation. If the District is annexed, the City must assume the District's assets and obligations (including the Bonds) and abolish the District within ninety (90) days of the date of annexation. Annexation of territory by the City is a policy-making matter within the discretion of the Mayors and City Councils of the City, and therefore, the District makes no representation that the City will ever annex the District and assume its debt. Moreover, no representation is made concerning the ability of the City to make debt service payments should annexation occur. The Bond Order provides for the termination of the pledge of taxes to the Bonds upon annexation and dissolution by a city.

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.

Defeasance

The Bond Order provides that the District may discharge its obligations to the Registered Owners of any or all of the Bonds to pay principal, interest and redemption price thereon in any manner permitted by law. Under current Texas law, such discharge may be accomplished either (i) by depositing with the Comptroller of Public Accounts of the State of Texas a sum of money equal to the principal of, premium, if any, and all interest to accrue on the Bonds to maturity or redemption or (ii) by depositing with any place or payment (paying agent) for obligations of the District payable from revenues or from ad valorem taxes or both, or a commercial bank or trust company designated in the proceedings authorizing such discharge amounts sufficient to provide for 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.

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.

Issuance of Additional Debt

The Bonds are the second (2nd) series of bonds to be issued by the District out of an aggregate $50,816,163 principal amount of unlimited tax bonds for Road System purposes. The District has also issued three (3) series of bonds out of an aggregate of $97,929,679 principal amount of unlimited tax bonds for Utility System purposes. Voters of the District have also authorized the District's issuance of $76,224,244 principal amount of unlimited tax bonds for refunding Road System bonds and $146,894,518 principal amount of unlimited tax bonds for refunding Utility System bonds. The District intends to issue additional bonds from its voted authorization (see "—Authority for Issuance"). The Bond Order imposes no limitation on the amount of additional parity bonds which may be authorized for issuance by the District's voters or the amount ultimately issued by the District. Any bonds issued by the District, however, must be approved by the Attorney General of Texas. Currently, approval of the TCEQ is not necessary for the issuance of bonds issued to finance the acquisition or construction of roads and roadway improvements (such as the Bonds). However, if the issuance of debt is for the purpose of financing water, sewer or drainage facilities, approval of the TCEQ is required. See "THE DISTRICT—General."

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

Based on present engineering cost estimates and development plans, in the opinion of the District's Engineer, the remaining $41,291,163 principal amount of authorized but unissued unlimited tax bonds for purpose of acquiring or constructing the Road System will be sufficient to fully finance road improvements to serve the remaining undeveloped but developable land within the District.

Based on present engineering cost estimates and development plans, in the opinion of the District's Engineer, the remaining $89,979,679 principal amount of authorized but unissued unlimited tax bonds for purpose of acquiring or constructing the Utility System will be sufficient to fully finance utility facilities to serve the remaining undeveloped but developable land within the District.

After reimbursement with the proceeds of the Bonds, the District will still owe the Developer approximately $2,500,000 for the construction of the Road System and approximately $14,200,000 for the construction of the Utility System on behalf of the District. The issuance of additional bonds will be necessary to finance the ultimate development of the remaining lands within the District.

Amendments to the Bond Order

The District may, without the consent of or notice to any Registered Owners, amend the Bond Order in any manner not detrimental to the interests of the Registered Owners, including the curing of any ambiguity, inconsistency or formal defect or omission therein. In addition, the District may, with the written consent of the Registered Owners of a majority in aggregate principal amount of the Bonds then outstanding affected thereby, amend, add to or rescind any of the provisions of the Bond Order, provided that, without the consent of the Registered Owners of all of the Bonds affected, and provided that it has not failed to make a timely payment of principal of or interest on the Bonds, no such amendment, addition or rescission may (1) change the date specified as the date on which the principal of or any installment of interest on any Bond is due and payable, reduce the principal amount thereof, the redemption price thereof, or the rate of interest thereon, change the place or places at, or the coin or currency in which any Bond or the interest thereon is payable, or in any other way modify the terms or sources of payment of the principal of or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) modify any of the provisions of the Bond Order relating to the amendment thereof, except to increase any percentage provided thereby or to provide that certain other provisions of the Bond Order cannot be modified or waived without the consent of the holder of each Bond affected thereby. In addition, a state, consistent with federal law, may, in the exercise of its police power, make such modifications in the terms and conditions of contractual covenants relating to the payment of indebtedness of a political subdivision as are reasonable and necessary for attainment of an important public purpose.

Registered Owner's 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.

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.

Use and Distribution of Bond Proceeds

Proceeds from the sale of the Bonds will be used to reimburse the Developer (herein defined) for the costs of construction for the projects set out in the table below. Additionally, proceeds from the sale of the Bonds will be used to pay six (6) months of capitalized interest, developer interest, and miscellaneous costs of issuance.

Construction Costs		
1. Fairview Meadows, Phase 3 - Paving	$	2,276,201
2. Fairview Meadows, Phase 4 - Paving		1,772,448
3. Fairview Meadows, Phases 3 & 4 - Land Acquisition Costs		313,040
Total Construction Costs	$	4,361,689
Non-Construction Costs		
1. Legal Fees	$	142,500
2. Fiscal Agent Fees		102,500
3. Interest Costs		
(a). Capitalized Interest (6 Months)		103,225
(b). Developer Interest		179,940
4. Bond Discount		153,056
5. Bond Issuance Expenses		57,777
6. Attorney General Fee		5,125
7. Contingency (a)		19,188
Total Non-Construction Costs	$	763,311
Total Bond Issue Requirement	$	5,125,000

(a) Represents the sum of the difference between the estimated and actual amounts of capitalized interest and discount on the Bonds.

THE DISTRICT

General

The District, a political subdivision of the State of Texas, was created by House Bill No. 2912, Chapter 7987, Special District Local Laws Code, Acts of the 85th Texas Legislature, Regular Session 2017, on September 1, 2017, under the authority of Article XVI, Section 59 of the Texas Constitution and Chapters 49 and 54, Texas Water Code, as amended. The District is subject to the continuing supervisory jurisdiction of the TCEQ with respect to water, sewer, and drainage facilities.

The District is empowered, among other things, to purchase, construct, operate, and maintain all works, improvements, facilities and plants necessary for the supply of water; the collection, transportation and treatment of wastewater; the control and diversion of storm water; and to purchase, construct, operate, and maintain road improvements. The District is also empowered to operate and maintain certain fire-fighting facilities, separately or jointly with one or more conservation and reclamation districts, municipalities or other political subdivisions. The District may issue bonds and other forms of indebtedness to purchase or construct such facilities. See "THE BONDS—Issuance of Additional Debt."

Location of the District

The District is located in southwest Wise County, approximately 23 miles northwest of the central business district of the City of Fort Worth. The District is bounded on the west by State Highway 287 and on the east and south by Pioneer Road. The District consists of approximately 948.270 acres. At the time of creation, the District was approximately 634.507 acres. On January 5, 2021, the District annexed approximately 313.763 acres. Approximately 313.763 acres lie entirely within the limits of the City and approximately 634.507 acres lie entirely within the extraterritorial jurisdiction of the City.

Management of the District

The District is governed by the Board, which consists of five directors and has control over, management, and supervision of all affairs of the District. All directors own property within the District. Directors are elected in even-numbered years and serve four-year staggered terms. The present members of the Board and their positions are listed below:

Name	Position	Term Expires
Melissa Walters	President	May 2026
Pam Pollett	Vice President	May 2026
Victoria Sauerhage	Secretary	May 2024
Paul Massey	Assistant Secretary	May 2026
Meredith Goff	Assistant Secretary	May 2024

The District does not have any employees but contracts for certain necessary services as described below:

Tax Assessor/Collector: The District's Tax Assessor/Collector is Monte Shaw, the Wise County Tax Assessor/Collector.

Bookkeeper: The District's Bookkeeper is L&S District Services, LLC.

Utility System Operator: The District's Operator is Inframark, LLC.

Auditor: The District engaged McCall Gibson Swedlund and Barfoot PLLC to audit its financial statements for the fiscal year ended June 30, 2023. A copy of such audited financial statements is attached as "APPENDIX A."

Engineer: The engineer retained by the District in connection with the design and construction of the District's facilities is Kimley-Horn & Associates, Inc. (the "Engineer").

Consulting Engineer: The consulting engineer retained by the District in connection with the preparation of the District's bond application reports for the issuance of the Bonds is Elevation Land Solutions (the "Consulting Engineer").

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

Disclosure Counsel: McCall, Parkhurst & Horton L.L.P., Houston, Texas, serves as Disclosure Counsel to the District. The fee to be paid to 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: Robert W. Baird & Co. Incorporated serves as the District's financial advisor (the "Financial Advisor"). The fee for services rendered in connection with the issuance of the Bonds is based on a percentage of the Bonds actually issued, sold, and delivered and, therefore, such fee is contingent upon the sale and delivery of the Bonds. 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.

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.

General Fund Operating Statement

The following statement sets forth in condensed form the historical results of the District's general fund. The figures for the fiscal years ended June 30 in the years 2020-2023 were obtained from the District's annual financial reports. The figures for the period ending January 31, 2024, are unaudited and were obtained from the District's bookkeeper. See "APPENDIX A." The District is required by statute to have a certified public accountant prepare and file an annual audit of its financial records with the TCEQ.

	Unaudited	Fiscal Year Ended June 30,			
Revenues	**2024 (a)**	**2023**	**2022**	**2021**	**2020 (b)**
Property Taxes	$ 561,570	$ 182,793	$ 267,614	$ 65,539	$ -
Water Service	177,272	171,009	119,003	37,931	-
Wastewater Service	106,846	121,983	79,280	31,516	-
Connection & Inspection Fees	5,350	188,770	131,162	219,510	-
Miscellaneous	4,894	6,926	2,197	3,922	-
Total Revenues	$ 855,932	$ 671,481	$ 599,256	$ 358,418	$ -
Expenditures					
Professional Fees	$ 50,065	$ 132,386	$ 51,871	$ 73,280	$ 8,323
Contracted Services	67,406	88,089	80,752	46,188	2,471
Utilities	80,545	76,883	53,646	56,099	-
Repairs & Maintenance	175,929	258,883	168,376	162,511	-
Other	140,608	100,458	70,946	47,429	4,283
Total Expenditures	$ 514,552	$ 656,699	$ 425,591	$ 385,507	$ 15,077
Net Revenues (Deficits)	$ 341,380	$ 14,782	$ 173,665	$ (27,089)	$ (15,077)
Other Financing Sources (Uses)		$ -	$ 122,125	$ 5,000	$ 15,000
Beginning Fund Balance	$ 285,764	$ 270,982	$ (24,808)	$ (2,719)	$ (2,642)
Ending Fund Balance	$ 627,144	$ 285,764	$ 270,982	$ (24,808)	$ (2,719)

(a) Unaudited; as of January 31, 2024.
(b) First year of financial activity.

DEVELOPMENT WITHIN THE DISTRICT

Status of Development

The District is being developed as the single-family residential community known as "Fairview Meadows." To date, approximately 522.42 acres (409 single-family lots) have been developed within Fairview Meadows, Phases 1–4. As of January 1, 2024, the District included approximately 286 completed homes, approximately 11 homes under construction, and approximately 112 vacant developed lots available for home construction.

The remaining land in the District includes approximately 277.72 acres planned for future development and approximately 148.13 undevelopable acres.

The table below summarizes the development within the District as of January 1, 2024, by section.

			Homes		
	Acreage	No. of Lots	Complete	Under Construction	Vacant Lots
Fairview Meadows,					
Phase 1	142.37	116	110	-	6
Phase 2	85.24	63	63	-	-
Phase 3	164.44	124	113	7	4
Phase 4	130.37	106	-	4	102
Total	522.42	409	286	11	112
Remaining Developable	277.72				
Undevelopable	148.13				
Total District Acreage	948.27				

Homebuilder within the District

The sole homebuilder within the District is Riverside Homebuilders (defined herein). The homes being marketed in the District range in size from approximately 2,000 to 3,400 square feet and in price from approximately $425,000 to $575,000.

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PHOTOGRAPHS TAKEN WITHIN THE DISTRICT

(July 2023)

THE DEVELOPER/PRINCIPAL LANDOWNERS

The Role of a Developer

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

Prospective Bond purchasers 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.

None of the Developer, or any affiliate entities, is obligated to pay principal of or interest on the Bonds. Furthermore, none of the Developer or its affiliate entities has 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 Developer, or its 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.

Description of the Developer and Principal Landowners

New Fairview 634, LLC, a Texas limited liability company ("New Fairview 634"), is developing the land within the District. New Fairview 634 is also referred to herein as the "Developer." Lackland Fairview, LLC, a Texas limited liability company ("Lackland Fairview"), and FFILP Land Holdings, LLC, a Texas limited liability company ("FFILP") were created for the purpose of purchasing and holding land within the District to be developed by New Fairview 634. Riverside Homebuilders, Ltd., a Texas limited partnership ("Riverside Homebuilders"), whose general partner is Windfall Investments, Inc., oversees the sales and construction of homes within the District. New Fairview 634, Lackland Fairview, FFILP, and Riverside Homebuilders are under common management and ownership.

The Developer has completed the development of approximately 522.42 acres (409 lots) within the District. Lackland Fairview currently owns approximately 112.09 acres within the District and FFILP currently owns approximately 313.76 acres within the District.

The District makes no representation as to the likelihood of the planned development to occur or the pace at which the planned development might occur.

Development Financing

<u>Lackland Fairview and FFILP</u>: Lackland Fairview has a loan from First Bank in the amount of $2,160,000.00 at a fixed rate of 4.00%. Such loan matures on April 23, 2024 and is secured by land within the District. According to Lackland Fairview, as of January 1, 2024, the balance on such loan was $921,180, and Lackland Fairview is in compliance with all material provisions of the loan.

FFILP financed the purchase of 29.935 acres within the district with a loan from Heritage Land Bank in the amount of $267,750.00 at a rate of 3.27% (adjusts after five years). Such loan matures on September 1, 2040 and is secured by land within the district. According to FFILP, as of January 1, 2024, the balance on such loan was $234,337, and FFILP is in compliance with all material provisions of the loan.

FFILP financed the purchase of 283.828 acres within the district with a loan from Heritage Land Bank in the amount of $1,500,000.00 at a rate of 4.85% (adjusts after five years). Such loan matures on October 1, 2034 and is secured by land within the district. According to FFILP, as of January 1, 2024, the balance on such loan was $1,274,563, and FFILP is in compliance with all material provisions of the loan.

New Fairview 634: The Developer has entered into a loan with Vista Bank in the principal amount of $12,411,000. The loan matures on April 5, 2024 and accrues interest at the greater of Prime + 1.5% or 4.95% and is secured by a lien on approximately 251.785 acres in the District. According to the Developer, as of January 1, 2024, the balance on such loan was $655,200, and the Developer is in compliance with all material provisions of the loan.

The Developer has a second loan from Vista Bank in the principal amount of $7,481,000 for the development of Fairview Meadows Phase 4. The loan matures on August 5, 2025 and accrues interest at the greater of Prime + 0.5% or 4.75% and is secured by a lien on approximately 130.334 acres in the District. According to the Developer, as of January 1, 2024, the balance on such loan was $7,092,035, and the Developer is in compliance with all material provision of the loan.

The Developer also has a loan from First Bank in the principal amount of $5,000,000 with a variable rate equal to Prime + 0.75%. Such loan matures on February 12, 2026 and is secured by reimbursements made to the Developer from the District. According to the Developer, as of January 1, 2024, the balance of such loan was $4,000,000, and the Developer is in compliance with all material provisions of the loan.

THE UTILITY SYSTEM

Regulation

According to the Engineer, the Utility System constructed by the District has been 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, Wise County, Texas, and the City. According to the District's Engineer, the design of all such facilities has been approved by all required governmental agencies and inspected by the TCEQ.

Description of the Utility System

Water Supply: The District obtains water from two (2) water plants and two (2) remote water wells, which are owned, operated and maintained by the District. The first water plant ("Water Plant No. 1") consists of a 210-gallon per minute ("gpm") water well ("Water Well No. 1"); three (3) 2,500-gallon hydro-pneumatic tanks; two (2) 62,000-gallon ground storage tanks; two (2) 250-gpm booster pumps; and three (3) 500-gpm booster pumps. The second water plant ("Water Plant No. 2") consists of a 220-gpm water well ("Water Well No. 4"); a 100,908-gallon ground storage tank; a 10,000-gallon hydro-pneumatic tank; and three (3) 600-gpm booster pumps. The remote water wells consist of a 210-gpm water well ("Water Well No. 2") and a 200-gpm water well ("Water Well No. 3"). The total capacity of the District's existing water supply is 875 equivalent single-family connections ("ESFCs") within the District, which is sufficient to serve the 409 current ESFCs within the District.

In late 2022, the District was notified of customers' concerns related to the District's potable water system. The District, its consultants, and the Developer worked to complete comprehensive testing, maintenance, and capital improvements to address water quality and capacity concerns. In February 2023, an inspection was conducted by experts at TCEQ's Texas Optimization Program ("TOP") to determine recommendations to improve the water quality.

The District has developed a plan to execute TCEQ's recommendations and improve the District's water quality. A key contributor to the aesthetic water quality issues is an unusually high concentration of Iron Related Bacteria ("IRB") in the water well located at Well No. 1. IRB is a naturally occurring non-pathogenic (non-health threatening) bacteria that tends to create taste and odor challenges when found in source water. IRB is typically found in shallow aquifers, surface waters, and soils.

The District has completed three rounds of jetting, cleaning, and disinfecting Well No. 1. The results of this process indicate a significant reduction in IRB levels in Well No. 1. The District has developed an IRB monitoring plan utilizing quarterly well assessments. The reports generated from these assessments provide data on IRB levels and well pump performance. Additionally, the District plans to acidize and super-chlorinate the wells on a quarterly basis.

Wastewater Treatment: The District owns, operates and maintains a wastewater treatment facility ("WWTP") consisting of a 0.13 MGD WWTP ("WWTP No. 1") within the District. The District's total existing wastewater capacity is 433 ESFCs, which is sufficient to serve the 409 current ESFCs within the District. Additionally, the District is constructing a 0.2285 MGD WWTP ("WWTP No. 2") which is expected to be completed by the end of the first quarter of 2024. Upon completion, the District's wastewater capacity will be capable of serving 761 ESFCs.

Drainage: The District naturally drains to the west/southwest into Elizabeth Creek and ultimately into Grapevine Lake. The drainage system serving the District is consists of asphalt streets with roadside ditches directing drainage into underground storm sewers.

THE ROAD SYSTEM

The Road System will be funded with proceeds of the Bonds and future bonds issued by the District. See "RISK FACTORS—Future Debt" and "THE BONDS—Issuance of Additional Debt." Construction of the District's roads is subject to certain regulations by the City and Wise County, Texas. The roads in the District are constructed with asphalt with roadside ditch drainage. The Road System also includes streetlights and right-of-way landscaping. Public utilities such as water, wastewater, storm drainage, and non-builder sidewalks are typically located within street rights-of-way. Similar to the Utility System, the Road System is owned and maintained by the District.

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DISTRICT DEBT

General

2023 Taxable Assessed Valuation	$	126,564,210	(a)
Estimate of Valuation as of January 1, 2024	$	156,200,000	(b)
Direct Debt:			
The Outstanding Bonds	$	12,350,000	
The Bonds		5,125,000	
Total	$	17,475,000	
Estimated Overlapping Debt	$	8,790,341	(c)
Total Direct and Estimated Overlapping Debt	$	26,265,341	(c)
Direct Debt Ratios:			
As a percentage of the 2023 Taxable Assessed Valuation		13.81	%
As a percentage of the Estimate of Valuation as of January 1, 2024		11.19	%
Direct and Estimated Overlapping Debt Ratios:			
As a percentage of the 2023 Taxable Assessed Valuation		20.75	%
As a percentage of the Estimate of Valuation as of January 1, 2024		16.82	%
Utility System Debt Service Fund Balance (as of February 12, 2024)	$	671,680	(d)
Road System Debt Service Fund Balance (as of February 12, 2024)	$	441,993	(e)
General Operating Fund Balance (as of February 12, 2024)	$	618,911	
2023 Tax Rate:			
Utility System Debt Service	$	0.3000	
Road System Debt Service		0.1500	
Maintenance & Operation		0.5500	
Total	$	1.0000	
Average Annual Debt Service Requirement on the Bonds and the Outstanding Bonds (2024–2047, high years)	$	1,124,765	(f)
Maximum Annual Debt Service Requirement on the Bonds and the Outstanding Bonds (2038)	$	1,148,503	(f)
Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay Average Annual Debt Service Requirement on the Bonds and the Outstanding Bonds (2024–2047, high years) at 95% Tax Collections:			
Based on the 2023 Taxable Assessed Valuation	$	0.94	
Based on the Estimate of Valuation as of January 1, 2024	$	0.76	
Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay Maximum Annual Debt Service Requirement on the Bonds and the Outstanding Bonds (2038) at 95% Tax Collections:			
Based on the 2023 Taxable Assessed Valuation	$	0.96	
Based on the Estimate of Valuation as of January 1, 2024	$	0.78	

(a) Represents the taxable amount of the assessed value of all taxable property within the District as of January 1, 2023 provided by the Appraisal District. See "TAX DATA" and "TAXING PROCEDURES."

(b) Provided by the Appraisal District for informational purposes only. Such value reflects the addition of value of new construction within the District from January 1, 2023, to January 1, 2024. The estimate is based upon the same value unit used in the assessed value. No taxes will be levied on this estimate. See "TAXING PROCEDURES."

(c) See "DISTRICT DEBT—Estimated Overlapping Debt Statement."

(d) Neither Texas law nor the Bond Order requires that the District maintain any particular sum in the Utility System Debt Service Fund, the funds of which are not available to pay debt service on bonds issued by the District for the Road System, including the Bonds.

(e) Six (6) months of capitalized interest to be deposited into the Road System Debt Service Fund upon closing of the Bonds. Neither Texas law nor the Bond Order requires that the District maintain any particular sum in the Road System Debt Service Fund, the funds of which are not available to pay debt service on bonds issued by the District for the Utility System.

(f) See "DISTRICT DEBT—Debt Service Requirements."

Estimated Overlapping Debt Statement

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

Taxing Jurisdiction	Debt as of 1/31/2024	Overlapping Percent	Overlapping Amount	
Wise County	$ 6,570,000	0.91%	$ 59,881	
Northwest ISD	1,979,300,334	0.32%	6,401,434	
The City	6,090,000	38.24%	2,329,026	(a)
Total Estimated Overlapping Debt			$ 8,790,341	
Total Direct Debt			$ 17,475,000	(b)
Total Direct & Estimated Overlapping Debt			$ 26,265,341	

(a) The City's debt is only attributable to the portion of the District that lies directly within the limits of the City.
(b) Includes the Outstanding Bonds and the Bonds.

Debt Ratios

Direct Debt Ratios:

As a percentage of the 2023 Taxable Assessed Valuation	13.81 %
As a percentage of the Estimate of Valuation as of January 1, 2024	11.19 %

Direct and Estimated Overlapping Debt Ratios:

As a percentage of the 2023 Taxable Assessed Valuation	20.75 %
As a percentage of the Estimate of Valuation as of January 1, 2024	16.82 %

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Debt Service Requirements

The following schedule sets forth the annual debt service requirements on the Outstanding Bonds, as well as the principal and interest requirements on the Bonds. Totals may not sum due to rounding.

Year Ending 12/31	Outstanding Debt Service	Plus: The Bonds Principal	Plus: The Bonds Interest	Total Debt Service
2024	$ 805,339	$ -	$ 88,315	$ 893,653
2025	821,343	-	206,450	1,027,793
2026	817,693	120,000	206,450	1,144,143
2027	818,543	125,000	199,850	1,143,393
2028	818,743	130,000	192,975	1,141,718
2029	808,293	135,000	185,825	1,129,118
2030	807,693	145,000	178,400	1,131,093
2031	806,233	150,000	174,050	1,130,283
2032	808,740	155,000	169,550	1,133,290
2033	806,390	165,000	164,513	1,135,903
2034	808,000	170,000	159,150	1,137,150
2035	805,695	180,000	153,200	1,138,895
2036	802,140	190,000	146,000	1,138,140
2037	803,000	200,000	138,400	1,141,400
2038	808,103	210,000	130,400	1,148,503
2039	801,535	220,000	122,000	1,143,535
2040	799,365	230,000	113,200	1,142,565
2041	801,393	240,000	104,000	1,145,393
2042	797,210	250,000	94,400	1,141,610
2043	797,220	260,000	84,400	1,141,620
2044	796,215	275,000	74,000	1,145,215
2045	788,840	285,000	63,000	1,136,840
2046	790,660	300,000	51,600	1,142,260
2047	786,250	315,000	39,600	1,140,850
2048	250,800	330,000	27,000	607,800
2049	-	345,000	13,800	358,800
	$ 19,555,431	$ 5,125,000	$ 3,280,527	$ 27,960,958

Average Annual Debt Service Requirement (2024–2047, high years) .... $ 1,124,765

Maximum Annual Debt Service Requirement (2038) .... $ 1,148,503

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TAXING PROCEDURES

Set forth below is a summary of certain provisions of the Texas Property Tax Code (the "Property Tax Code") 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 Outstanding Bonds, 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 and Security for 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 $1.00 per $100 of assessed valuation composed of a maintenance and operations tax rate of $0.55 per $100 of assessed valuation, a Utility System debt service tax rate of $0.30 per $100 of assessed valuation and a Road System debt service tax rate of $0.15 per $100 of assessed valuation. See "TAX DATA—Debt Service Tax" and "—Maintenance Tax."

Property Tax Code and County-Wide Appraisal District

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 Appraisal District. The Wise County Appraisal District (the "Appraisal District") has the responsibility of appraising property for all taxing units within Wise County, including the District. Such appraisal values will be subject to review and change by the Wise 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 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. 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. 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 one hundred percent (100%) is entitled to an exemption for the full value of the veteran's residence 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. Additionally, subject to certain conditions, the surviving spouse of a disabled veteran who is entitled to an exemption for the full value of the veteran's residence homestead is also entitled to an exemption from taxation of the total appraised value of the same property to which the disabled veteran's exemption applied. A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran's disability rating if the residence homestead was donated by a charitable organization at no cost to the veteran. This exemption applies to a residence homestead that was donated by a charitable organization at some cost to such veterans. 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 is killed or fatally injured in the line of duty is entitled to an exemption of the total appraised value of the surviving spouse's residence homestead if the surviving spouse has not remarried since the first responder's death, and said property was the first responder's residence homestead at the time of death. Such exemption would be transferrable to a subsequent residence homestead of the surviving spouse, if the surviving spouse has not remarried, in an amount equal to the exemption received on the prior residence in the last year in which such exemption was received.

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 July 15. The District has not adopted a general homestead exemption.

<u>Freeport Goods Exemption and "Goods-in-Transit"</u>: 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.

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

During the 2nd Special Session, convened on June 27, 2023, the Texas Legislature passed Senate Bill 2 ("SB 2"), which, among other things, includes provisions that prohibit an appraisal district from increasing the appraised value of real property during the 2024 tax year on non-homestead properties (the "Subjected Property") whose appraised values are not more than $5,000,000 (the "Maximum Property Value") to an amount not to exceed the lesser of: (1) the market value of the Subjected Property for the most recent tax year that the market value was determined by the appraisal office or (2) the sum of: (a) 20 percent of the appraised value of the Subjected Property for the preceding tax year; (b) the appraised value of the Subjected Property for the preceding tax year; and (c) the market value of all new improvements to the Subjected Property (collectively, the "Appraisal Cap"). After the 2024 tax year, through December 31, 2026, the Appraisal Cap may be increased or decreased by the product of the preceding state fiscal year's increase or decrease in consumer price index, as applicable, to the Maximum Property Value. SB 2 was signed into law by the Governor on July 22, 2023. The provisions described hereinabove took effect January 1, 2024.

District and Taxpayer Remedies

Under certain circumstances, taxpayers and taxing units, including the District, may appeal orders of the Appraisal Review Board by filing a petition for review in district court within forty-five (45) days after notice is received that a final order has been entered. In such event, the property value in question may be determined by the court, or by a jury, if requested by any party. Additionally, taxing units may bring suit against the Appraisal District to comply with the Property Tax Code. The District may challenge the level of appraisal of a certain category of property, the exclusion of property from the appraisal rolls or the grant, in whole or in part, of an exemption. The District may not, however, protest a valuation of any individual property.

Texas law provides for notice and hearing procedures prior to the adoption of an ad valorem tax rate by the District. Additionally, Texas law provides for an additional notice and, upon petition by qualified voters, an election which could result in the repeal of certain tax rate increases on residential homesteads. The Property Tax Code also establishes a procedure for notice to property owners of reappraisals reflecting increased property values, appraisals that are higher than renditions and appraisals of property not previously on an appraisal roll.

Agricultural, Open Space, Timberland and Inventory Deferment

The Property Tax Code permits land designated for agricultural use (including wildlife management), open space, or timberland to be appraised at its value based on the land's capacity to produce agriculture or timber products rather than at its fair market value. The Property Tax Code permits, under certain circumstances, that residential real property inventory held by a person in the trade or business be valued at the price all such property would bring if sold as a unit to a purchaser who would continue the business. Landowners wishing to avail themselves of any of such designations must apply for the designation, and the Appraisal District is required by the Property Tax Code to act on each claimant's right to the designation individually. A claimant may waive the special valuation as to taxation by some political subdivisions and not as to others. If a claimant receives the designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use for the three (3) years prior to the loss of the designation for agricultural, timberland or open space land. According to the District's Tax Assessor/Collector, as of the 2023 Taxable Assessed Valuation, approximately 279.95 acres within the District were designated for agricultural use, open space, inventory deferment, or timberland.

Tax Abatement

The City, Wise County, or the District may designate all or part of the District as a reinvestment zone, and the District, Wise County, and the City may thereafter enter into tax abatement agreements with the owners of property within the zone. The tax abatement agreements may exempt from ad valorem tax, by the applicable taxing jurisdictions, and/or by the District, for a period of up to ten (10) years, all or any part of any increase in the assessed valuation of property covered by the agreement over its assessed valuation in the year in which the agreement is executed, on the condition that the property owner make specified improvements or repairs to the property in conformity with a comprehensive plan. According to the District's Tax Assessor/Collector, to date, none of the area within the District has been designated as a reinvestment zone.

Reappraisal of Property after Disaster

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

Levy and Collection of Taxes

The District is responsible for the levy and collection of its taxes unless it elects to transfer such functions to another governmental entity. The rate of taxation is set by the Board, 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 the State and 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 purchasers deed at the foreclosure sale is filed in the county records.

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 "Low Tax Rate Districts." 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 are 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.

Low Tax Rate Districts: Low Tax Rate Districts that adopt a total tax rate that would impose more than 1.08 times the amount of the total tax imposed by such district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead, subject to certain homestead exemptions, are required to hold a rollback election within the district to determine whether to approve the adopted total tax rate. If the adopted total tax rate is not approved at the election, the total tax rate for a Low Tax Rate District is the current year's debt service and contract tax rate plus 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. However, an election is not required if the adopted tax rate is less than or equal to the current year's debt service and contract tax rate plus 1.035 times the previous year's operation and maintenance tax rate plus any unused increment rates. In addition, if any part of a Developed District lies within an area declared for disaster by the Governor of Texas or President of the United States, alternative procedures and rate limitations may apply for a temporary period. If a district qualifies as both a Special Taxing Unit and a Developed District, the district will be subject to the operation and maintenance tax threshold applicable to Special Taxing Units.

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

The District: A determination as to a district's status as a Special Taxing Unit, Developed District or Developing District will be made by the Board of Directors on an annual basis. For the 2023 tax year, the District was designated 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.

TAX DATA

General

Taxable property within the District is subject to the assessment, levy and collection by the District of a continuing direct, annual ad valorem tax, without legal limitation as to rate or amount, sufficient to pay principal of and interest on the Outstanding Bonds and the Bonds (and any future tax-supported bonds which may be issued from time to time as authorized). Taxes are levied by the District each year against the District's assessed valuation as of January 1 of that year. Taxes become due October 1 of such year, or when billed, and generally become delinquent after January 31 of the following year. The Board covenants in the Bond Order to assess and levy for each year that all or any part of the Bonds remain outstanding and unpaid a tax ample and sufficient to produce funds to pay the principal of and interest on the Bonds. The actual rate of such tax will be determined from year to year as a function of the District's tax base, its debt service requirements and available funds. In addition, the District has the power and authority to assess, levy and collect ad valorem taxes, not to exceed $1.00 per $100 of assessed valuation, for maintenance and operation purposes. In 2023, the District levied a total tax rate of $1.00 per $100 of assessed valuation composed of a maintenance and operations tax rate of $0.55 per $100 of assessed valuation, a Utility System debt service tax rate of $0.30 per $100 of assessed valuation and a Road System debt service tax rate of $0.15 per $100 of assessed valuation. See "TAXING PROCEDURES," "RISK FACTORS," and "—Tax Rate Distribution" below.

Debt Service Tax

The Board covenants in the Bond Order to levy and assess, for each year that all or any part of the Bonds remain outstanding and unpaid, two taxes adequate to provide funds to pay the principal of and interest on the Bonds. The District levied a Utility System debt service tax rate of $0.30 and a Road System debt service tax rate of $0.15 for the 2023 tax year.

Maintenance Tax

The Board has the statutory authority to levy and collect an annual ad valorem tax for the operation and maintenance of the District, if such a maintenance tax is authorized by the District's voters. A maintenance tax election was held on May 4, 2019, and voters of the District authorized, among other things, the Board to levy a maintenance tax at a rate not to exceed $1.00 per $100 of assessed valuation for general operations and maintenance costs. The District levied a maintenance tax rate of $0.55 for the 2023 tax year.

Historical Tax Collections

The following table illustrates the collection history of the District for the 2020 – 2023 tax years:

Year	Assessed Valuation	Tax Rate per $100	Tax Levy	% of Current Collections		Tax Year Ending 9/30	Collections as 1/31/2024
2020	$ 6,727,721	$ 1.0000	$ 67,277	99.54%		2021	99.91%
2021	25,840,980	1.0000	258,410	97.94%		2022	99.89%
2022	70,060,007	1.0000	700,600	98.59%		2023	99.04%
2023	126,564,210	1.0000	1,265,642	76.81%	(a)	2024	76.81%

(a) Collections as of January 31, 2024.

Tax Rate Distribution

	2023	2022	2021	2020
Road System Debt Service	$ 0.1500	$ 0.4000	$ -	$ -
Utility System Debt Service	0.3000	0.3700	-	-
Maintenance & Operations	0.5500	0.2300	1.0000	1.0000
Total	$ 1.0000	$ 1.0000	$ 1.0000	$ 1.0000

Analysis of Tax Base

The following table illustrates the District's total taxable assessed value in the 2020–2023 tax years by type of property.

Type of Property	2023 Assessed Valuation	2022 Assessed Valuation	2021 Assessed Valuation	2020 Assessed Valuation
Land	$ 25,895,818	19,738,085	9,803,250	4,929,300
Improvements	96,247,859	49,130,798	15,152,601	334,210
Personal Property	13,525,510	5,573,767	1,886,679	1,768,350
Exemptions	(9,104,977)	(4,382,643)	(1,001,550)	(304,139)
Total	$ 126,564,210	$ 70,060,007	$ 25,840,980	$ 6,727,721

Principal Taxpayers

The following represents the principal taxpayers, type of property, and their assessed values as of January 1, 2023:

Taxpayer	Property Type	2023 Taxable Assessed Valuation	% of AV
Riverside Homebuilders LTD (a)	Land & Improvements	$ 19,036,884	15.04%
BKV Barnett LLC	Mineral	10,462,531	8.27%
New Fairview 634 LLC (b)	Land & Improvements	4,631,663	3.66%
Homeowner	Land & Improvements	990,028	0.78%
Homeowner	Land & Improvements	830,732	0.66%
Homeowner	Land & Improvements	628,037	0.50%
Homeowner	Land & Improvements	595,504	0.47%
Homeowner	Land & Improvements	593,524	0.47%
Homeowner	Land & Improvements	582,170	0.46%
Homeowner	Land & Improvements	580,658	0.46%
Total		$ 38,931,731	30.76%

(a) See "DEVELOPMENT WITHIN THE DISTRICT—Homebuilder within the District."
(b) See "THE DEVELOPER/PRINCIPAL LANDOWNERS."

Tax Rate Calculations

The tax rate calculations set forth below are presented to indicate the debt service tax rates per $100 of taxable assessed valuation that would be required to meet certain debt service requirements on the Bonds and the Outstanding Bonds if no growth in the District's tax base occurs beyond the 2023 Taxable Assessed Valuation ($126,564,210) or the Estimate of Valuation as of January 1, 2024 ($156,200,000). The following further assumes collection of 95% of taxes levied and the sale of no additional bonds:

Average Annual Debt Service Requirement (2024-2047, high years)	$ 1,124,765
Tax Rate of $0.94 on the 2023 Taxable Assessed Valuation produces	$ 1,130,218
Tax Rate of $0.76 on the Estimate of Valuation as of January 1, 2024 produces	$ 1,127,764
Maximum Annual Debt Service Requirement (2038)	$ 1,148,503
Tax Rate of $0.96 on the 2023 Taxable Assessed Valuation produces	$ 1,154,266
Tax Rate of $0.78 on the Estimate of Valuation as of January 1, 2024 produces	$ 1,157,442

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Estimated Overlapping Taxes

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

Set forth below is a compilation of all 2023 taxes levied by such jurisdictions per $100 of assessed valuation. Such levies do not include local assessments for community associations, fire department contributions, charges for solid waste disposal, or any other dues or charges made by entities other than political subdivisions.

Taxing Jurisdiction	Portion of District within the ETJ of the City	Portion of District within the City Limits of the City
The District	$ 1.000000	$ 1.000000
Wise County	0.220000	0.220000
Northwest ISD	1.090200	1.090200
Wise FM Flood - Lateral	0.045000	0.045000
Wise County Branch Maintenance	0.032500	0.032500
WCID No. 1	0.007702	0.007702
The City	-	0.258013
Estimated Total Tax Rate	$ 2.395402	$ 2.653415

LEGAL MATTERS

Legal Opinions

Issuance of the Bonds is subject to the approving legal opinion of the Attorney General of Texas to the effect that the Bonds are valid and binding obligations of the District payable from an annual ad valorem tax levied without limit as to rate or amount upon all taxable property within the District. Issuance of the Bonds is also subject to the legal opinion of Bond Counsel that, based upon examination of the transcript of the proceedings incident to authorization and issuance of the Bonds, the Bonds are valid and legally binding obligations of the District payable from the sources and enforceable in accordance with the terms and conditions described therein, except to the extent that the enforceability thereof may be affected by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with general principles of equity, and are payable from annual ad valorem taxes, which are not limited by applicable law in rate or amount, levied against all property within the District which is not exempt from taxation by or under applicable law. The legal opinion will further state that the interest on the Bonds is excludable from gross income for federal income tax purposes under existing statutes, regulations, published rulings and court decisions as described below under "TAX MATTERS." The legal opinion of Bond Counsel will be printed on the Bonds, if certificated Bonds are issued. Such opinions will express no opinion with respect to the sufficiency of, the security for, or the marketability of the Bonds. Certain legal matters will be passed upon for the District by McCall, Parkhurst & Horton L.L.P., Houston, Texas, Disclosure Counsel.

In addition to serving as Bond Counsel, Coats Rose, P.C. also acts as counsel to the District on matters not related to the issuance of bonds. The legal fees to be paid Bond Counsel and Disclosure 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.

Legal Review

In its capacity as Bond Counsel, Coats Rose, P.C., has reviewed the information appearing in this Official Statement under the captioned sections "THE BONDS" (except for information under the subsections "—Book-Entry-Only System," and "—Use and Distribution of Bond Proceeds,"), "THE DISTRICT—General" and "—Management of the District—*Bond Counsel and General Counsel*," "TAXING PROCEDURES," "LEGAL MATTERS," and "TAX MATTERS" solely to determine whether such information fairly summarizes the law and documents referred to therein. Such firm has not independently verified factual information contained in this Official Statement, nor has such firm conducted an investigation of the affairs of the District for the purpose of passing upon the accuracy or completeness of this Official Statement. No person is entitled to rely upon such firm'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 of the other information contained herein.

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 financial condition 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.

No-Litigation Certificate

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

TAX MATTERS

Opinion

On the date of initial delivery of the Bonds, Coats Rose, P.C., 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"). 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.

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.

Federal Income Tax Accounting Treatment of Original Issue Discount

The initial public offering price to be paid for one or more maturities of the Bonds may be 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.

State, Local and Foreign Taxes

Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership or disposition of the Bonds under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

Not Qualified Tax-Exempt Obligations

The Bonds are **not** qualified as "qualified tax-exempt obligations" within the meaning of Section 265(b) of the Code.

CONTINUING DISCLOSURE OF INFORMATION

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

Annual Reports

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

The information to be updated with respect to the District includes all quantitative financial information and operating data relative to the District of the general type included in this Official Statement under the headings "DISTRICT DEBT" (except under the subheading "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 fiscal year ending in or after 2024.

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 current fiscal year end is June 30. Accordingly, it must provide updated information by the end of December in each year, unless the District changes its fiscal year. If the District changes its fiscal year, it will notify the MSRB of the change.

Event Notices

The District will provide timely notices of certain events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten 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 (the "Rule"); (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person within the meaning of the Rule or the sale of all or substantially all of the assets of the District or other obligated person within the meaning of the Rule, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of 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 the Rule, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or other obligated person within the meaning of the Rule, any of which affect Beneficial Owners of the Bonds, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District or other obligated person within the meaning of the Rule, 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 make 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 Municipal Securities Rulemaking Board consistent with the Rule. 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

The District has agreed to provide the foregoing notices to the MSRB. The District is required to file its continuing disclosure information using EMMA, which is the format currently prescribed by the MSRB and has been established by the MSRB to make such continuing disclosure information available to investors free of charge. Investors may access continuing disclosure information filed with the MSRB at www.emma.msrb.org.

Limitations and Amendments

The District has agreed to update information and to provide notices of material events only as described above. The District has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The District makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The District disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement, or from any statement made pursuant to its agreement, although holders and beneficial owners of Bonds may seek a writ of mandamus to compel the District to comply with its agreement.

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

Compliance with Prior Undertakings

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

OFFICIAL STATEMENT

Sources and Compilation of Information

The financial data and other information contained in this Official Statement has been obtained primarily from the District's records, the Developer, the Engineer, the Consulting Engineer, the Tax Assessor/Collector, the Appraisal District and information from other sources. All of these sources are believed to be reliable, but no guarantee is made by the District as to the accuracy or completeness of the information derived from sources other than the District, and its inclusion herein is not to be construed as a representation on the part of the District to such effect. Furthermore, there is no guarantee that any of the assumptions or estimates contained herein will be realized. The summaries of the agreements, reports, statutes, resolutions, engineering and other related information set forth in this Official Statement are included herein subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents for further information.

The District's audited financial statements for the fiscal year ended June 30, 2023, has been provided by the District's auditor, McCall Gibson Swedlund and Barfoot PLLC, and attached hereto as "APPENDIX A."

Experts

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

<u>Tax Assessor/Collector:</u> The information contained in this Official Statement relating to the breakdown of the District's historical assessed value and principal taxpayers, including particularly such information contained in the section entitled "TAX DATA" has been provided by the Wise County Appraisal District and is included herein in reliance upon the authority of such entity as an expert in assessing property values and collecting taxes.

<u>Engineer:</u> The information contained in this Official Statement relating to engineering and to the description of the water, sewer and drainage system and, in particular that information included in the sections entitled "THE DISTRICT," "DEVELOPMENT WITHIN THE DISTRICT—Status of Development," "THE UTILITY SYSTEM," and "THE ROAD SYSTEM," has been provided by the Engineer and the Consulting Engineer and has been included herein in reliance upon the authority of said firm as experts in the field of civil engineering.

Updating of Official Statement

For the period beginning on the date of the award of the sale of the Bonds to the Initial Purchaser and ending on the ninety-first (91st) day after the "end of the underwriting period" (as defined in Rule 15c2-12(f)(2) of the SEC), if any event shall occur of which the District has knowledge and as a result of which it is necessary to amend or supplement this Official Statement in order to make the statements herein, in light of the circumstances when this Official Statement is delivered to a prospective purchaser, not materially misleading, the District will promptly notify the Initial Purchaser of the occurrence of such event and will cooperate in the preparation of a revised Official Statement, or amendments or supplements hereto, so that the statements in this Official Statement, as revised, amended or supplemented, will not, in light of the circumstances when this Official Statement is delivered to a prospective purchaser, be materially misleading. The District assumes no responsibility for supplementing this Official Statement thereafter.

Certification as to Official Statement

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

CONCLUDING STATEMENT

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

This Official Statement was approved by the Board of Directors of New Fairview Municipal Utility District No. 1 as of the date shown on the cover page hereof.

/s/ Melissa Walters
President, Board of Directors
New Fairview Municipal Utility District No. 1

ATTEST:

/s/ Victoria Sauerhage
Secretary, Board of Directors
New Fairview Municipal Utility District No. 1

APPENDIX A

Financial Statements of the District

NEW FAIRVIEW MUNICIPAL UTILITY DISTRICT NO. 1

WISE COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

JUNE 30, 2023

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

NEW FAIRVIEW MUNICIPAL UTILITY DISTRICT NO. 1

WISE COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

JUNE 30, 2023

T A B L E O F C O N T E N T S

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
New Fairview Municipal Utility District No. 1
Wise County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of New Fairview Municipal Utility District No. 1 (the "District") as of and for the year ended June 30, 2023, 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 June 30, 2023, 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
New Fairview Municipal Utility 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 any assurance, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McCall Gibson Swedlund Barfoot PLLC

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
Houston, Texas

September 26, 2023

NEW FAIRVIEW MUNICIPAL UTILITY DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

Management's discussion and analysis of the financial performance of New Fairview Municipal Utility District No. 1 (the "District") provides an overview of the District's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The Statement of Net Position includes the District's assets and liabilities 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 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 fiscal 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 customer service revenues, maintenance tax revenues, operating costs and general expenditures as well as developer advances. The Debt Service Fund accounts for ad valorem taxes and financial resources restricted, committed or assigned for serving bond debt and the cost of assessing and collecting taxes. The Capital Projects Fund accounts for financial resources restricted, committed or assigned for acquisitions or construction of facilities and related costs.

FUND FINANCIAL STATEMENTS (Continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, liabilities exceeded assets by $1,692,293 as of June 30, 2023. A portion of the District's net position reflects its net investment in capital assets which includes land, roads, and the water and wastewater facilities less any debt used to acquire those assets that is still outstanding.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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

	Summary of Changes in the Statement of Net Position		
	2023	2022	Change Positive (Negative)
Current and Other Assets	$ 1,263,689	$ 1,025,195	$ 238,494
Capital Assets (Net of Accumulated Depreciation)	16,691,808	6,464,683	10,227,125
Total Assets	$ 17,955,497	$ 7,489,878	$ 10,465,619
Due to Developer	$ 10,892,627	$ 164,314	$ (10,728,313)
Bonds Payable	8,570,000	8,570,000	
Other Liabilities	185,163	202,539	17,376
Total Liabilities	$ 19,647,790	$ 8,936,853	$ (10,710,937)
Net Position:			
Net Investment in Capital Assets	$ (2,534,603)	$ (2,034,387)	$ (500,216)
Restricted	634,965	391,848	243,117
Unrestricted	207,345	195,564	11,781
Total Net Position	$ (1,692,293)	$ (1,446,975)	$ (245,318)

The following table provides a summary of the District's operations for the years ended June 30, 2023, and June 30, 2022.

	Summary of Changes in the Statement of Activities		
	2023	2022	Change Positive (Negative)
Revenues:			
Property Taxes	$ 714,207	$ 271,414	$ 442,793
Charges for Services	492,020	331,588	160,432
Other Revenues	7,371	1,188	6,183
Total Revenues	$ 1,213,598	$ 604,190	$ 609,408
Expenses for Services	1,458,916	1,939,344	480,428
Change in Net Position	$ (245,318)	$ (1,335,154)	$ 1,089,836
Net Position, Beginning of Year	(1,446,975)	(111,821)	(1,335,154)
Net Position, End of Year	$ (1,692,293)	$ (1,446,975)	$ (245,318)

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of June 30, 2023, were $1,170,243, an increase of $286,990 from the prior year.

The General Fund fund balance increased by $14,782, primarily to maintenance tax revenues and service revenues exceeding operating costs.

The Debt Service Fund fund balance increased by $271,236, primarily due to the structure of the District's outstanding debt.

The Capital Projects Fund fund balance increased by $972, primarily due to interest revenue which exceeded costs.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors adopted an unappropriated budget for the current fiscal year. Actual revenues were $156,931 more than budgeted revenues and actual expenditures were $166,458 more than budgeted expenditures which resulted in a total negative variance of $9,527. See the budget to actual comparison for more information.

CAPITAL ASSETS

Capital assets as of June 30, 2023, total $16,691,808 (net of accumulated depreciation) and consist of land and roads as well as water, wastewater, and drainage facilities. Current year capital asset additions included utility and/or roads serving Fairview Meadows Phases 1, 2 and 3.

Capital Assets At Year-End

	2023	2022	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	$ 193,936	$ 193,936	$
Capital Assets Subject to Depreciation:			
Water System	3,916,888	969,454	2,947,434
Wastewater System	4,561,073	2,171,725	2,389,348
Drainage System	2,691,160		2,691,160
Roads	6,033,173	3,332,802	2,700,371
Less Accumulated Depreciation	(704,422)	(203,234)	(501,188)
Total Net Capital Assets	$ 16,691,808	$ 6,464,683	$ 10,227,125

LONG-TERM DEBT

At the end of the current fiscal year, the District had total bond debt payable of $8,570,000. The changes in bonds payable of the District during the fiscal year ended June 30, 2023, are summarized as follow:

Bond Debt Payable, July 1, 2022	$ 8,570,000
Current Year Change	-0-
Bond Debt Payable, June 30, 2023	$ 8,570,000

The Series 2022 Utility bonds and Series 2022 Road 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 New Fairview Municipal Utility District No. 1, c/o Coats Rose, P.C., 16000 North Dallas Parkway, Suite 350, Dallas, TX 75248.

NEW FAIRVIEW MUNICIPAL UTILITY DISTRICT NO. 1
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2023

	General Fund	Debt Service Fund
ASSETS		
Cash	$ 315,245	$ 736,986
Receivables:		
Property Taxes	2,581	7,515
Service Accounts	46,146	
Due from Other Funds	7,723	
Land		
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	$ 371,695	$ 744,501
LIABILITIES		
Accounts Payable	$ 60,313	$
Accrued Interest Payable		
Due to Developer		
Due to Other Funds		7,723
Security Deposits	23,037	
Long-Term Liabilities:		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	$ 83,350	$ 7,723
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	$ 2,581	$ 7,515
FUND BALANCES		
Restricted for Authorized Construction	$	$
Restricted for Debt Service		729,263
Unassigned	285,764	
TOTAL FUND BALANCES	$ 285,764	$ 729,263
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 371,695	$ 744,501
NET POSITION		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
TOTAL NET POSITION		

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
$ 155,216	$ 1,207,447	$	$ 1,207,447
	10,096		10,096
	46,146		46,146
	7,723	(7,723)	
		193,936	193,936
		16,497,872	16,497,872
$ 155,216	$ 1,271,412	$ 16,684,085	$ 17,955,497
$	$ 60,313	$	$ 60,313
		101,813	101,813
		10,892,627	10,892,627
	7,723	(7,723)	
	23,037		23,037
		8,570,000	8,570,000
$ -0-	$ 91,073	$ 19,556,717	$ 19,647,790
$ -0-	$ 10,096	$ (10,096)	$ - 0 -
$ 155,216	$ 155,216	$ (155,216)	$
	729,263	(729,263)	
	285,764	(285,764)	
$ 155,216	$ 1,170,243	$ (1,170,243)	$ - 0 -
$ 155,216	$ 1,271,412		
		$ (2,534,603)	$ (2,534,603)
		634,965	634,965
		207,345	207,345
		$ (1,692,293)	$ (1,692,293)

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

NEW FAIRVIEW MUNICIPAL UTILITY DISTRICT NO. 1
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

Total Fund Balances - Governmental Funds		$ 1,170,243
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		16,691,808
Deferred inflows of resources related to property tax revenues for the 2022 and prior tax levy became part of recognized revenue in the governmental activities of the District.		10,096
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	$ (10,892,627)	
Accrued Interest Payable	(101,813)	
Bonds Payable	(8,570,000)	(19,564,440)
Total Net Position - Governmental Activities		$ (1,692,293)

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

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NEW FAIRVIEW MUNICIPAL UTILITY DISTRICT NO. 1
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	$ 182,793	$ 526,900
Water Service	171,009	
Wastewater Service	121,983	
Penalty and Interest	5,929	4,329
Connection and Inspection Fees	188,770	
Investment and Miscellaneous Revenues	997	4,502
TOTAL REVENUES	$ 671,481	$ 535,731
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	$ 89,266	$
Contracted Services	88,089	
Utilities	76,883	
Repairs and Maintenance	258,883	
Depreciation		
Other	100,458	1,475
Debt Service:		
Bond Interest		263,020
Bond Issuance Costs	43,120	
TOTAL EXPENDITURES/EXPENSES	$ 656,699	$ 264,495
NET CHANGE IN FUND BALANCES	$ 14,782	$ 271,236
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - JULY 1, 2022	270,982	458,027
FUND BALANCES/NET POSITION - JUNE 30, 2023	$ 285,764	$ 729,263

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

Capital Projects Fund	Total	Adjustments	Statement of Activities
$	$ 709,693	$ 4,514	$ 714,207
	171,009		171,009
	121,983		121,983
	10,258		10,258
	188,770		188,770
1,872	7,371		7,371
$ 1,872	$ 1,209,084	$ 4,514	$ 1,213,598
$	$ 89,266	$	$ 89,266
	88,089		88,089
	76,883		76,883
	258,883		258,883
		501,188	501,188
900	102,833		102,833
	263,020	35,634	298,654
	43,120		43,120
$ 900	$ 922,094	$ 536,822	$ 1,458,916
$ 972	$ 286,990	$ (286,990)	$
		(245,318)	(245,318)
154,244	883,253	(2,330,228)	(1,446,975)
$ 155,216	$ 1,170,243	$ (2,862,536)	$ (1,692,293)

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

NEW FAIRVIEW MUNICIPAL UTILITY 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 JUNE 30, 2023

Net Change in Fund Balances - Governmental Funds	$ 286,990
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.	4,514
Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.	(501,188)
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.	(35,634)
Change in Net Position - Governmental Activities	$ (245,318)

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

NOTE 1. CREATION OF DISTRICT

New Fairview Municipal Utility District No. 1, a political subdivision of the State of Texas, was created by House Bill No. 2912, Chapter 7987, Special District Local Laws Code, Acts of the 85th Texas Legislature, Regular Session 2017, on June 15, 2017, under the authority of Article XVI, Section 59 of the Texas Constitution and Chapters 49 and 54, Texas Water Code, as amended. The District is subject to the continuing supervisory jurisdiction of the TCEQ with respect to water, sewer, and drainage facilities. The District is empowered, among other things, to purchase, construct, operate, and maintain all works, improvements, facilities and plants necessary for the supply of water; the collection, transportation and treatment of wastewater; the control and diversion of storm water; and to purchase, construct, operate, and maintain road improvements. The District is also empowered to operate and maintain certain fire-fighting facilities, separately or jointly with one or more conservation and reclamation districts, municipalities or other political subdivisions. The District may issue bonds and other forms of indebtedness to purchase or construct such facilities.

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 “Commission”).

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

<u>Financial Statement Presentation</u>

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.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

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.

- 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 net position 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 are eliminated by adjustment to obtain net total revenue and expense of the Statement of Activities.

Fund Financial Statements

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds

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

General Fund – To account for customer service revenues, maintenance tax revenues, operating costs and general expenditures.

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

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

Basis of Accounting

The District uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both “measurable and available.” Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. The District considers revenue reported in governmental funds to be available if they are collectable with 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. As of June 30, 2023, the Debt Service Fund owed the General Fund $7,723 for maintenance tax collections.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

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

Budgeting

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

Pensions

A pension plan has not been established. The District does not have employees, except that the Internal Revenue Service has determined that 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.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

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.

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. The District 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

The following is a summary of transactions regarding bonds payable for the year ended June 30, 2023:

	July 1, 2022	Additions	Retirements	June 30, 2023
Bonds Payable	$ 8,570,000	$ -0-	$ -0-	$ 8,570,000

Amount Due Within One Year	$ -0-
Amount Due After One Year	8,570,000
Total Bonds Payable	$ 8,570,000

	Series 2022 Utility	Series 2022 Road
Amounts Outstanding – June 30, 2023	$4,170,000	$4,400,000
Interest Rates	3.00% - 3.80%	3.00% - 4.00%
Maturity Dates – Serially Beginning/Ending	September 1, 2024/2047	September 1, 2024/2047
Interest Payment Dates	September 1/ March 1	September 1/ March 1
Callable Dates	September 1, 2027*	September 1, 2027*

* The bonds are subject to redemption at the option of the District prior to their maturity in whole, or from time to time in part, on the call date or any date thereafter at a price of par value plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. Series 2022 Utility term bonds maturing on September 1, 2029, 2031, 2034, 2037, 2040, 2043, and 2047 are subject to mandatory redemption beginning September 1, 2028, 2030, 2032, 2035, 2038, 2041, and 2044, respectively. Series 2022 Road term bonds maturing on September 1, 2029, 2032, 2034, 2036, 2040, 2043, and 2047 are subject to mandatory redemption beginning September 1, 2028, 2031, 2033, 2035, 2038, 2041, and 2044, respectively.

NOTE 3. LONG-TERM DEBT (Continued)

As of June 30, 2023, the debt service requirements on the outstanding bonds were as follows:

Fiscal Year	Principal	Interest	Total
2024	$	$ 305,443	$ 305,443
2025	235,000	301,918	536,918
2026	245,000	294,718	539,718
2027	250,000	287,293	537,293
2028	260,000	279,643	539,643
2029-2033	1,435,000	1,272,251	2,707,251
2034-2038	1,705,000	1,010,759	2,715,759
2039-2043	2,030,000	667,491	2,697,491
2044-2048	2,410,000	241,400	2,651,400
	$ 8,570,000	$ 4,660,916	$ 13,230,916

The District has authorized but unissued bonds in the amount of $93,759,679 for utility facilities, $146,894,519 for refunding utility bonds, $46,416,163 for road facilities and $76,224,245 for refunding road bonds.

The bond orders require the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. The tax is levied upon all property subject to taxation within the District without limitation as to rate or amount.

During the fiscal year ending June 30, 2023, the District levied an ad valorem debt service tax for the payment of road bonds at the rate of $0.40 per $100 of assessed valuation which resulted in a tax levy of $277,618 on the adjusted taxable valuation of $69,404,584 for the 2022 tax year, and an ad valorem debt service tax for the payment of utility bonds at a rate of $0.37 per $100 of assessed valuation which resulted in a tax levy of $256,797 on the adjusted taxable valuation of $69,404,584 for the 2022 tax year.

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

NOTE 4. SIGNIFICANT BOND ORDER AND LEGAL REQUIREMENTS

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

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

NOTE 5. DEPOSITS AND INVESTMENTS

Deposits

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

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District's deposits was $1,207,447 and the bank balance was $1,193,454. 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 at June 30, 2023, as listed below

	Cash
GENERAL FUND	$ 315,245
DEBT SERVICE FUND	736,986
CAPITAL PROJECTS FUND	155,216
TOTAL DEPOSITS	$ 1,207,447

NOTE 5. DEPOSITS AND INVESTMENTS

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.

As of June 30, 2023, the District did not own any investments.

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 6. CAPITAL ASSETS

Capital asset activity for the current fiscal year is summarized in the following table:

	July 1, 2023	Increases	Decreases	June 30, 2023
Capital Assets Not Being Depreciated				
Land and Land Improvements	$ 193,936	$ - 0 -	$ -0-	$ 193,936
Capital Assets Subject to Depreciation				
Water System	$ 969,454	$ 2,947,434	$	$ 3,916,888
Wastewater System	2,171,725	2,389,348		4,561,073
Drainage System		2,691,160		2,691,160
Roads	3,332,802	2,700,371		6,033,173
Total Capital Assets Subject to Depreciation	$ 6,473,981	$ 10,728,313	$ -0-	$ 17,202,294
Less Accumulated Depreciation				
Water System	$ 44,240	$ 135,799	$	$ 180,039
Wastewater System	68,359	125,935		194,294
Drainage System		80,723		80,723
Roads	90,635	158,731		249,366
Total Accumulated Depreciation	$ 203,234	$ 501,188	$ -0-	$ 704,422
Total Depreciable Capital Assets, Net of Accumulated Depreciation	$ 6,270,747	$ 10,227,125	$ -0-	$ 16,497,872
Total Capital Assets, Net of Accumulated Depreciation	$ 6,464,683	$ 10,227,125	$ -0-	$ 16,691,808

NOTE 7. MAINTENANCE TAX

On May 4, 2019, the voters of the District approved the levy and collection of a maintenance tax which is to be used by the General Fund to pay expenditures of operating the District's utility systems and other operating and maintenance expenses. On May 4, 2019, the voters of the District also approved the levy and collection of a road maintenance tax which is to be used to pay operating and maintenance expenses related to road facilities. The total maintenance tax levied will not exceed $1.00 per $100 of assessed valuation of taxable property within the District.

During the fiscal year ended June 30, 2023, the District levied an ad valorem maintenance tax rate of $0.23 per $100 of assessed valuation, which resulted in a tax levy of $159,631 on the adjusted taxable valuation of $69,404,584 for the 2022 tax year.

NOTE 8. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions and natural disasters for which the District carries commercial insurance. There have been no significant changes in coverage from the prior year and settlements have not exceeded coverage since inception.

NOTE 9. UNREIMBURSED DEVELOPER COSTS

The District and the Developer have entered into agreements which require the Developer to fund costs associated with water, sanitary sewer and drainage facilities, roads and operating advances. Reimbursement to the Developer for these projects and operating advances is contingent upon approval from the Commission and the future sale of bonds.

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

Due to Developer, beginning of year	$ 164,314
Current Year Additions	10,728,313
Due to Developer, end of year	$ 10,892,627

NOTE 10. UPPER TRINITY GROUNDWATER CONSERVATION DISTRICT

The Upper Trinity Groundwater Conservation District (the "Conservation District") was created by the 80th Texas Legislature under the authority of Section 59, Article XVI, of the Texas Constitution, and in accordance with Chapter 36 of the Texas Water Code. The creation of the Conservation District was confirmed on November 6, 2007, in an election called for that purpose. The Conservation District was created to provide protection to existing wells, prevent waste, promote conservation, provide a framework that will allow availability and accessibility of groundwater for future generations, protect the quality of the groundwater in the recharge zone of the aquifer, ensure that the residents of Montague, Wise, Parker, and Hood Counties maintain local control over their groundwater, respect and protect the property rights of landowners in groundwater, and operate the District in a fair and equitable manner for all residents of the Conservation District.

NOTE 11. SUBSEQUENT EVENT - BOND SALE

On or about September 27, 2023, the District plans to close on the sale of its $3,780,000 Series 2023 Unlimited Tax Utility Bonds. The District plans to use the proceeds to reimburse the Developer for a portion of the costs associated with the construction of Fairview Meadows Phase 1 water, wastewater and storm drainage. Proceeds will also be used for the following District projects: Water Plant No. 1 upgrades and Water Plant No. 2; Water Plant No. 1 pressure tank and emergency generator; Trinity Water Well No. 2; remaining costs for Fairview Meadows Wastewater Treatment Plant; site fence for Trinity Water Well No. 2; and site grading for drainage for Trinity Water Well No. 2. Bond proceeds will also be used to pay for bond issuance costs.

NEW FAIRVIEW MUNICIPAL UTILITY DISTRICT NO. 1

REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2023

NEW FAIRVIEW MUNICIPAL UTILITY DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	$ 216,150	$ 182,793	$ (33,357)
Water Service	110,000	171,009	61,009
Wastewater Service	120,000	121,983	1,983
Connection and Inspection Fees	58,900	188,770	129,870
Investment and Miscellaneous Revenues	9,500	6,926	(2,574)
TOTAL REVENUES	$ 514,550	$ 671,481	$ 156,931
EXPENDITURES			
Service Operations:			
Professional Fees	$ 48,500	$ 89,266	$ (40,766)
Contracted Services	81,650	88,089	(6,439)
Utilities	60,000	76,883	(16,883)
Repairs and Maintenance	178,200	258,883	(80,683)
Other	121,891	143,578	(21,687)
TOTAL EXPENDITURES	$ 490,241	$ 656,699	$ (166,458)
NET CHANGE IN FUND BALANCE	$ 24,309	$ 14,782	$ (9,527)
FUND BALANCE - JULY 1, 2022	270,982	270,982	
FUND BALANCE - JUNE 30, 2023	$ 295,291	$ 285,764	$ (9,527)

See accompanying independent auditor's report.

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NEW FAIRVIEW MUNICIPAL UTILITY DISTRICT NO. 1

SUPPLEMENTARY INFORMATION – REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

JUNE 30, 2023

NEW FAIRVIEW MUNICIPAL UTILITY DISTRICT NO. 1
SERVICES AND RATES
FOR THE YEAR ENDED JUNE 30, 2023

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

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

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

_______ Other (specify): ______________________________

2. RETAIL SERVICE PROVIDERS

a. RETAIL RATES FOR A 5/8” METER (OR EQUIVALENT):

The rates below are based on the rate order effective January 19, 2023.

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons over Minimum Use	Usage Levels
WATER:	$ 30.00	5,000	N	$1.50	5,001 to 10,000
				$1.75	10,001 to 15,000
				$2.25	15,001 to 25,000
				$3.00	25,001 and up
WASTEWATER:	$ 30.00	5,000	N	$1.00	5,001 to 10,000
				$1.50	10,001 and up

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

Total monthly charges per 10,000 gallons usage: Water: $37.50 Wastewater: $35.00

See accompanying independent auditor’s report.

NEW FAIRVIEW MUNICIPAL UTILITY DISTRICT NO. 1
SERVICES AND RATES
FOR THE YEAR ENDED JUNE 30, 2023

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
Unmetered			x 1.0	
≤¾"	300	299	x 1.0	299
1”	2	2	x 2.5	5
1½”	2	2	x 5.0	10
2”	1	1	x 8.0	8
3”			x 15.0	
4”			x 25.0	
6”			x 50.0	
8”			x 80.0	
10”			x 115.0	
Total Water Connections	305	304		322
Total Wastewater Connections	303	302	x 1.0	302

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

Gallons pumped into system: 52,340,000

Water Accountability Ratio: 88.7%
(Gallons billed/Gallons pumped)

Gallons billed to customers: 46,447,000

See accompanying independent auditor’s report.

NEW FAIRVIEW MUNICIPAL UTILITY DISTRICT NO. 1
SERVICES AND RATES
FOR THE YEAR ENDED JUNE 30, 2023

4. STANDBY FEES – NOT APPLICABLE

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes __X__ No _____

County in which District is located:

Wise County, Texas

Is the District located within a city?

Entirely _____ Partly __X__ Not at all _____

City in which District is located:

New Fairview, Texas

Is the District located within a city's extraterritorial jurisdiction (ETJ)?

Entirely _____ Partly __X__ Not at all _____

ETJ in which District is located:

New Fairview, Texas

Are Board Members appointed by an office outside the District?

Yes _____ No __X__

See accompanying independent auditor's report.

NEW FAIRVIEW MUNICIPAL UTILITY DISTRICT NO. 1
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2023

PROFESSIONAL FEES:		
Auditing	$	13,500
Engineering		6,210
Legal		69,556
TOTAL PROFESSIONAL FEES	$	89,266
CONTRACTED SERVICES:		
Appraisal District	$	12,245
Bookkeeping		11,773
Operations and Billing		62,719
Tax Collector		1,352
TOTAL CONTRACTED SERVICES	$	88,089
UTILITIES	$	76,883
REPAIRS AND MAINTENANCE	$	258,883
ADMINISTRATIVE EXPENDITURES:		
Director Fees, Including Payroll Taxes	$	3,875
Insurance		19,162
Website and Other		2,506
TOTAL ADMINISTRATIVE EXPENDITURES	$	25,543
OTHER EXPENDITURES:		
Chemicals	$	30,853
Laboratory Fees		18,518
Conservation District Fees		4,450
Connection and Inspection Costs		17,050
Permit Fee and Regulatory Assessments		1,884
Sludge Hauling		2,160
TOTAL OTHER EXPENDITURES	$	74,915
BOND ISSUANCE COSTS	$	43,120
TOTAL EXPENDITURES	$	656,699

See accompanying independent auditor's report.

NEW FAIRVIEW MUNICIPAL UTILITY DISTRICT NO. 1
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2023

	Maintenance Taxes		Debt Service Taxes Road		Debt Service Taxes Utilities	
TAXES RECEIVABLE -						
JULY 1, 2022	$ 5,582		$		$	
Adjustments to Beginning Balance	20,161	$ 25,743		$ -0-		$ -0-
Original 2022 Tax Levy	$ 161,138		$ 280,240		$ 259,222	
Adjustment to 2022 Tax Levy	(1,507)	159,631	(2,622)	277,618	(2,425)	256,797
TOTAL TO BE ACCOUNTED FOR		$ 185,374		$ 277,618		$ 256,797
TAX COLLECTIONS:						
Prior Years	$ 25,407		$			
Current Year	157,386	182,793	273,714	273,714	253,186	253,186
TAXES RECEIVABLE - JUNE 30, 2023		$ 2,581		$ 3,904		$ 3,611
TAXES RECEIVABLE BY YEAR:						
2022		$ 2,245		$ 3,904		$ 3,611
2021		278				
2020		58				
TOTAL		$ 2,581		$ 3,904		$ 3,611

See accompanying independent auditor's report.

NEW FAIRVIEW MUNICIPAL UTILITY DISTRICT NO. 1
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2023

	2022	2021	2020
PROPERTY VALUATIONS:			
Land	$ 19,738,085	$ 9,803,250	$ 4,929,300
Improvements	49,130,798	15,152,601	334,210
Personal Property	5,573,767	1,886,679	1,768,350
Exemptions	(5,038,066)	(317,479)	(299,760)
TOTAL PROPERTY VALUATIONS	$ 69,404,584	$ 26,525,051	$ 6,732,100
TAX RATES PER $100 VALUATION:			
Debt Service-Road	$ 0.40	$ 0.00	$ 0.00
Debt Service-Utility	0.37	0.00	0.00
Maintenance	0.23	1.00	1.00
TOTAL TAX RATES PER $100 VALUATION	$ 1.00	$ 1.00	$ 1.00
ADJUSTED TAX LEVY*	$ 694,046	$ 265,251	$ 67,321
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	98.59 %	99.90 %	99.91 %

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

Maintenance tax – Voters approved a tax rate not to exceed $1.00 per $100 of assessed valuation on May 4, 2019.

See accompanying independent auditor's report.

NEW FAIRVIEW MUNICIPAL UTILITY DISTRICT NO. 1
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2023

	SERIES-2022 UTILITY		
Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1/ March 1	Total
2024	$	$ 144,143	$ 144,143
2025	115,000	142,418	257,418
2026	120,000	138,893	258,893
2027	120,000	135,293	255,293
2028	125,000	131,618	256,618
2029	130,000	127,793	257,793
2030	135,000	123,818	258,818
2031	140,000	119,588	259,588
2032	145,000	115,099	260,099
2033	150,000	110,340	260,340
2034	155,000	105,308	260,308
2035	160,000	100,110	260,110
2036	165,000	94,624	259,624
2037	170,000	88,845	258,845
2038	180,000	82,808	262,808
2039	185,000	76,419	261,419
2040	190,000	69,763	259,763
2041	195,000	62,929	257,929
2042	205,000	55,727	260,727
2043	210,000	48,153	258,153
2044	220,000	40,305	260,305
2045	225,000	32,015	257,015
2046	235,000	23,275	258,275
2047	245,000	14,155	259,155
2048	250,000	4,750	254,750
	$ 4,170,000	$ 2,188,189	$ 6,358,189

See accompanying independent auditor’s report.

NEW FAIRVIEW MUNICIPAL UTILITY DISTRICT NO. 1
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2023

	SERIES-2022 ROAD		
Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1/ March 1	Total
2024	$	$ 161,300	$ 161,300
2025	120,000	159,500	279,500
2026	125,000	155,825	280,825
2027	130,000	152,000	282,000
2028	135,000	148,025	283,025
2029	140,000	143,900	283,900
2030	140,000	139,700	279,700
2031	145,000	135,425	280,425
2032	150,000	130,813	280,813
2033	160,000	125,775	285,775
2034	165,000	120,288	285,288
2035	170,000	114,425	284,425
2036	175,000	108,169	283,169
2037	180,000	101,513	281,513
2038	185,000	94,669	279,669
2039	195,000	87,300	282,300
2040	200,000	79,400	279,400
2041	210,000	71,200	281,200
2042	215,000	62,700	277,700
2043	225,000	53,900	278,900
2044	230,000	44,800	274,800
2045	240,000	35,400	275,400
2046	245,000	25,700	270,700
2047	255,000	15,700	270,700
2048	265,000	5,300	270,300
	$ 4,400,000	$ 2,472,727	$ 6,872,727

See accompanying independent auditor’s report.

NEW FAIRVIEW MUNICIPAL UTILITY DISTRICT NO. 1
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2023

	ANNUAL REQUIREMENTS FOR ALL SERIES		
Due During Fiscal Years Ending June 30	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2024	$	$ 305,443	$ 305,443
2025	235,000	301,918	536,918
2026	245,000	294,718	539,718
2027	250,000	287,293	537,293
2028	260,000	279,643	539,643
2029	270,000	271,693	541,693
2030	275,000	263,518	538,518
2031	285,000	255,013	540,013
2032	295,000	245,912	540,912
2033	310,000	236,115	546,115
2034	320,000	225,596	545,596
2035	330,000	214,535	544,535
2036	340,000	202,793	542,793
2037	350,000	190,358	540,358
2038	365,000	177,477	542,477
2039	380,000	163,719	543,719
2040	390,000	149,163	539,163
2041	405,000	134,129	539,129
2042	420,000	118,427	538,427
2043	435,000	102,053	537,053
2044	450,000	85,105	535,105
2045	465,000	67,415	532,415
2046	480,000	48,975	528,975
2047	500,000	29,855	529,855
2048	515,000	10,050	525,050
	$ 8,570,000	$ 4,660,916	$ 13,230,916

See accompanying independent auditor’s report.

NEW FAIRVIEW MUNICIPAL UTILITY DISTRICT NO. 1
CHANGES IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED JUNE 30, 2023

Description	Original Bonds Issued	Bonds Outstanding July 1, 2022
New Fairview Municipal Utility District No. 1 Unlimited Tax Utility Bonds - Series 2022	$ 4,170,000	$ 4,170,000
New Fairview Municipal Utility District No. 1 Unlimited Tax Road Bonds - Series 2022	4,400,000	4,400,000
TOTAL	$ 8,570,000	$ 8,570,000

Bond Authority:	Tax Bonds	Road Bonds	Refunding Bonds
Amount Authorized by Voters	$ 97,929,679	$ 50,816,163	$ 223,118,764
Amount Issued	4,170,000	4,400,000	
Remaining to be Issued	$ 93,759,679	$ 46,416,163	$ 223,118,764 *

Debt Service Fund cash balance as of June 30, 2023:	$ 736,986
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 529,237

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

* Includes $146,894,519 for Utility Refunding Bonds and $76,224,245 for Road Refunding Bonds.

See accompanying independent auditor's report.

Current Year Transactions				
	Retirements			
Bonds Sold	Principal	Interest	Bonds Outstanding June 30, 2023	Paying Agent
$	$	$ 124,123	$ 4,170,000	BOKF, NA Dallas, TX
		138,897	4,400,000	BOKF, NA Dallas, TX
$ - 0 -	$ - 0 -	$ 263,020	$ 8,570,000	

See accompanying independent auditor's report.

NEW FAIRVIEW MUNICIPAL UTILITY DISTRICT NO. 1
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - FOUR YEARS

	Amounts		
	2023	2022	2021
REVENUES			
Property Taxes	$ 182,793	$ 267,614	$ 65,539
Water Service	171,009	119,003	37,931
Wastewater Service	121,983	79,280	31,516
Connection and Inspection Fees	188,770	131,162	219,510
Investment and Miscellaneous Revenues	6,926	2,197	3,922
TOTAL REVENUES	$ 671,481	$ 599,256	$ 358,418
EXPENDITURES			
Professional Fees	$ 132,386	$ 51,871	$ 73,280
Contracted Services	88,089	80,752	46,188
Utilities	76,883	53,646	56,099
Repairs and Maintenance	258,883	168,376	162,511
Other	100,458	70,946	47,429
TOTAL EXPENDITURES	$ 656,699	$ 425,591	$ 385,507
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 14,782	$ 173,665	$ (27,089)
OTHER FINANCING SOURCES			
Transfers In	$	$ 41,125	$
Developer Advances		81,000	5,000
TOTAL OTHER FINANCING SOURCES	$ -0-	$ 122,125	$ 5,000
NET CHANGE IN FUND BALANCE	$ 14,782	$ 295,790	$ (22,089)
BEGINNING FUND BALANCE (DEFICIT)	270,982	(24,808)	(2,719)
ENDING FUND BALANCE (DEFICIT)	$ 285,764	$ 270,982	$ (24,808)

See accompanying independent auditor’s report.

	Percentage of Total Revenues			
2020	2023	2022	2021	2020
$	27.2 %	44.6 %	18.3 %	%
	25.5	19.9	10.6	
	18.2	13.2	8.8	
	28.1	21.9	61.2	
	1.0	0.4	1.1	
$ -0-	100.0 %	100.0 %	100.0 %	N/A %
$ 8,323	19.7 %	8.7 %	20.4 %	%
2,471	13.1	13.5	12.9	
	11.4	9.0	15.7	
	38.6	28.1	45.3	
4,283	15.0	11.8	13.2	
$ 15,077	97.8 %	71.1 %	107.5 %	N/A %
$ (15,077)	2.2 %	28.9 %	(7.5) %	N/A %
$				
15,000				
$ 15,000				
$ (77)				
(2,642)				
$ (2,719)				

See accompanying independent auditor's report.

NEW FAIRVIEW MUNICIPAL UTILITY DISTRICT NO. 1
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBIT SERVICE FUND - FOUR YEARS

	Amounts		
	2023	2022	2021
REVENUES			
Property Taxes	$ 526,900	$	$
Penalty and Interest	4,329		
Investment and Miscellaneous Revenues	4,502	183	
TOTAL REVENUES	$ 535,731	$ 183	$ -0-
EXPENDITURES			
Tax Collection and Other Expenditures	$ 1,475	$ 320	$
Debt Service Interest and Fees	263,020		
TOTAL EXPENDITURES	$ 264,495	$ 320	$ -0-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 271,236	$ (137)	$ -0-
OTHER FINANCING SOURCES (USES)			
Proceeds from Issuance of Long-Term Debt	$ -0-	$ 458,164	$ -0-
NET CHANGE IN FUND BALANCE	$ 271,236	$ 458,027	$ -0-
BEGINNING FUND BALANCE	458,027		
ENDING FUND BALANCE	$ 729,263	$ 458,027	$ -0-
TOTAL ACTIVE RETAIL WATER CONNECTIONS	304	177	111
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	302	174	110

See accompanying independent auditor's report.

	Percentage of Total Revenues			
2020	2023	2022	2021	2020
$	98.4 %	%	%	%
	0.8			
	0.8	100.0		
$ -0-	100.0 %	100.0 %	N/A %	N/A %
$	0.3 %	174.9 %	%	%
	49.1			
$ -0-	49.4 %	174.9 %	N/A %	N/A %
$ -0-	50.6 %	(74.9) %	N/A %	N/A %
$ -0-				
$ -0-				
$ -0-				
N/A				
N/A				

See accompanying independent auditor's report.

NEW FAIRVIEW MUNICIPAL UTILITY DISTRICT NO. 1
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JUNE 30, 2023

District Mailing Address	-	New Fairview Municipal Utility District No. 1 c/o Coats Rose, P.C. 16000 North Dallas Parkway, Suite 350 Dallas, TX 75248
District Telephone Number	-	(972) 788-1600

Board Members	Term of Office (Elected or Appointed)	Fees of Office for the year ended June 30, 2023	Expense Reimbursements for the year ended June 30, 2023	Title
Melissa Walters	05/22 05/26 (Elected)	$ 1,050	$ 66	President
Pam Pollett	05/22 05/26 (Elected)	$ 1,050	$ 66	Vice President
Vickie Sauerhage	05/20 05/24 (Elected)	$ 300	$ 7	Secretary
Paul Massey	05/22 05/26 (Elected)	$ 1,200	$ 50	Assistant Secretary
Jill Harris	02/22 05/24 (Appointed)	$ -0-	$ -0-	Assistant Secretary

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

Submission date of most recent District Registration Form: October 20, 2022

The limit on Fees of Office that a Director may receive during a fiscal year is $7,200. Fees of Office are the amounts actually paid to a Director during the District's current fiscal year.

See accompanying independent auditor's report.

NEW FAIRVIEW MUNICIPAL UTILITY DISTRICT NO. 1
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JUNE 30, 2023

Consultants:	Date Hired	Fees for the year ended June 30, 2023	Title
Coats Rose, P.C.	02/12/18	$ 69,556	General Counsel
		$ -0-	Bond Counsel
McCall Gibson Swedlund Barfoot PLLC	01/05/21	$ 13,500	Auditor
		$ -0-	Bond Related
L & S District Services, LLC	02/01/18	$ 11,773	Bookkeeper/
Debra Loggins		$ -0-	Investment Officer
Elevation Land Solutions, LLC	07/02/21	$ 48,722	Engineer
Robert W. Baird	02/12/18	$ -0-	Financial Advisor
Inframark, LLC	06/04/20	$ 386,747	Operator

See accompanying independent auditor's report.

APPENDIX B

Specimen Municipal Bond Insurance Policy

MUNICIPAL BOND INSURANCE POLICY

ASSURED GUARANTY MUNICIPAL

ISSUER:

BONDS: $ in aggregate principal amount of

Policy No: -N

Effective Date:

Premium: $

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

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

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

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

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

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

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

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

ASSURED GUARANTY MUNICIPAL CORP.

By ______________________________
Authorized Officer

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

Form 500NY (5/90)