OFFICIAL STATEMENT DATED JULY 1, 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 THE OPINION OF BOND COUNSEL.

THE BONDS HAVE NOT BEEN DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS.

NEW ISSUE - Book-Entry-Only

Insured Rating (AGM): S&P "AA" (stable outlook)
See "MUNICIPAL BOND RATING" and "MUNICIPAL BOND INSURANCE" herein.

$7,170,000

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 169

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

UNLIMITED TAX ROAD BONDS, SERIES 2024A

The bonds described above (the "Bonds") are obligations solely of Fort Bend County Municipal Utility District No. 169 (the "District") and are not obligations of the State of Texas, Fort Bend County, the City of Fulshear or any entity other than the District.

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

Dated: August 1, 2024 **Due: May 1, as shown below**

Interest Accrual Date: Date of Delivery

Principal of the Bonds is payable at maturity or earlier redemption at the principal payment office of the paying agent/registrar, initially The Bank of New York Mellon Trust Company, N.A., Houston, Texas (the "Paying Agent/Registrar" or "Registrar/Paying Agent") upon surrender of the Bonds for payment. Interest on the Bonds accrues from the initial date of delivery (expected to be on or about August 6, 2024) (the "Date of Delivery"), and is payable each May 1 and November 1, commencing May 1, 2025, until maturity or prior redemption. The Bonds will be issued only in fully registered form in denominations of $5,000 each or integral multiples thereof. The Bonds are subject to redemption prior to their maturity, as shown below.

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

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

MATURITY SCHEDULE

Due (May 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (c)	CUSIP Number (b)	Due (May 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (c)	CUSIP Number (b)
2027	$ 240,000	6.000%	3.60%	34683P BA4	2039	$ 315,000 (a)	4.000%	4.09%	34683P BN6
2028	315,000	6.000	3.60	34683P BB2	2040	315,000 (a)	4.000	4.15	34683P BP1
2029	315,000	6.000	3.60	34683P BC0	2041	315,000 (a)	4.000	4.20	34683P BQ9
2030	315,000	6.000	3.60	34683P BD8	2042	315,000 (a)	4.000	4.25	34683P BR7
2031	315,000	5.500	3.60	34683P BE6	2043	315,000 (a)	4.000	4.30	34683P BS5
2032	315,000 (a)	4.000	3.65	34683P BF3	2044	315,000 (a)	4.125	4.35	34683P BT3
2033	315,000 (a)	4.000	3.70	34683P BG1	2045	315,000 (a)	4.125	4.38	34683P BU0
2034	315,000 (a)	4.000	3.75	34683P BH9	2046	315,000 (a)	4.125	4.40	34683P BV8
2035	315,000 (a)	4.000	3.85	34683P BJ5	2047	315,000 (a)	4.250	4.42	34683P BW6
***	***	***	***	***	2048	315,000 (a)	4.250	4.43	34683P BX4
2038	315,000 (a)	4.000	4.07	34683P BM8	2049	315,000 (a)	4.250	4.44	34683P BY2

$630,000 Term Bonds due May 1, 2037 (a), 34683P BL0 (b), 4.00% Interest Rate, 4.00% Yield (c)

(a) Bonds maturing on or after May 1, 2032, are subject to redemption at the option of the District prior to their maturity dates in whole, or from time to time in part, on May 1, 2031, or on any date thereafter at a price of par plus accrued interest on the principal amounts called for redemption to the date fixed for redemption. The Term Bonds (as defined herein) are also subject to mandatory sinking fund redemption as more fully described herein. See "THE BONDS—Redemption Provisions."

(b) CUSIP Numbers have been assigned to the Bonds by CUSIP Global Services and are included solely for the convenience of the purchasers of the Bonds. Neither the District nor the Underwriter shall be responsible for the selection or correctness of the CUSIP Numbers set forth herein.

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

The Bonds are offered when, as and if issued by the District, subject, among other things, to the approval of the Bonds by the Attorney General of Texas and the approval of certain legal matters by Allen Boone Humphries Robinson LLP, Bond Counsel. Delivery of the Bonds through the facilities of DTC is expected on or about August 6, 2024.

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USE OF INFORMATION IN OFFICIAL STATEMENT

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

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

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

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 purposes of, and as that term is defined in, SEC Rule 15c2-12, as amended.

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

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

OFFICIAL STATEMENT SUMMARY

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

THE DISTRICT

Description... Fort Bend County Municipal Utility District No. 169 (the "District") is a political subdivision of the State of Texas, created by an order of the Texas Commission on Environmental Quality (the "TCEQ" or "Commission") on August 21, 2007, and operates pursuant to Chapters 49 and 54 of the Texas Water Code, as amended. The District consists of approximately 321 acres of land. See "THE DISTRICT."

Location... The District is located approximately 31 miles west of the central downtown business district of the City of Houston, Texas in Fort Bend County. The District lies wholly within the city limits of the City of Fulshear (the "City") and within the boundaries of the Lamar Consolidated Independent School District. The District is located north of FM 1093 and west of Texas Heritage Parkway. See "THE DISTRICT—Description and Location."

Cross Creek Ranch... The District is part of a development project known as Cross Creek Ranch covering approximately 3,200 acres of land and planned for approximately 6,176 single-family homes. The Cross Creek Ranch project consists of five municipal utility districts: the District, Fort Bend County Municipal Utility District No. 170 ("MUD 170"), Fort Bend County Municipal Utility District No. 171 ("MUD 171"), Fort Bend County Municipal Utility District No. 172 ("MUD 172"), and Fort Bend County Municipal Utility District No. 173 ("MUD 173"). The District, in its capacity as a participant district, MUD 170, MUD 171, MUD 172 and MUD 173 are referred to herein collectively as the "MUD Participants."

The Developers... The primary developers of Cross Creek Ranch, including the land in the District, are CCR Texas Holdings LP, a Delaware limited partnership ("CCR Texas") with Johnson/CCR GP, LLC as its general partner, and CCR Loan Subsidiary 1, L.P. ("CCR Subsidiary"), a Texas limited partnership with CCR Loan Sub 1 LLC as its general partner. CCR Subsidiary is wholly owned by CCR Texas.

Johnson CCR Management LLC, an affiliate of The Johnson Development Corp. ("JDC") is the development manager for Cross Creek Ranch. JDC is a Houston-based, residential and commercial land development company with over forty years of experience in real estate development. JDC has developed master-planned communities in the Houston, Texas metropolitan area, Atlanta, Georgia metropolitan area, Dallas, Texas metropolitan area and San Antonio, Texas.

CCR Texas and CCR Subsidiary are collectively referred to as the "Developers." See "CROSS CREEK RANCH DEVELOPMENT" and "THE DEVELOPERS."

Status of Development... Single-family residential development within the District currently includes Creek Rush at Cross Creek Ranch, Sections One through Nine and Legacy Ridge at Cross Creek Ranch (717 single-family residential lots constructed on approximately 181 acres). As of May 22, 2024, there were 465 completed homes (403 occupied), 71 homes under construction and 181 developed lots available for home construction in the District.

The Broadstone Cross Creek Ranch Apartments (348 units) have been constructed on approximately 15 acres in the District. The Broadstone Cross Creek Ranch Apartments began leasing in the summer of 2023 and according to apartment management, the apartments are approximately 56% occupied as of the date hereof. In addition, a multi-family apartment complex is under construction on approximately 12 acres in the District with completion expected in the fourth quarter of 2025. The estimated population in the District is approximately 1,800, based upon 3.5 persons per occupied single-family residence and 2 persons per occupied apartment unit.

A Lamar Consolidated Independent School District elementary school is currently under construction on approximately 15 acres in the District and expected to be completed in August of 2024 and open for the 2024-2025 school year. The elementary school is exempt from the payment of ad valorem taxes.

A recreational center has been constructed on approximately 4 acres in the District and includes a pool, tennis and pickle ball courts, and a fitness room. Approximately 94 acres in the District are not developable, consisting of public rights-of-way, detention, open spaces, easements, parks and utility sites.

Homebuilding… Lennar Homes, Perry Homes, Newmark Homes, Tri Pointe Homes, Highland Homes and Partners in Building are building homes in the District, which range in sales price from approximately $300,000 to $1,740,000. See "THE DISTRICT—Homebuilding."

Facilities... Pursuant to a Utility Agreement between the District and the City, the District constructs the water, sanitary sewer, and drainage facilities internal to the District that serve only the District and conveys said facilities to the City for operation and maintenance by the City. The District, in its capacity as provider of the Master District Facilities (defined below), is referred to herein as the "Master District." The Master District, as the provider of regional water, sanitary sewer, drainage, and park/recreational facilities and road facilities that are arterial, collector, or thoroughfare roads (hereinafter collectively referred to as the "Master District Facilities"), has contracted with the District, in its capacity as a MUD Participant, to construct and provide service from the Master District Facilities. See "THE DISTRICT—Utility Agreement with the City," "THE SYSTEM—The Master District," "—Master District Facilities," "RISK FACTORS—Maximum Impact on District Tax Rate" and "—Overlapping Debt and Taxes." Pursuant to a Utility Agreement between the Master District and the City, the Master District conveys certain water, sewer and drainage facilities constituting Master District Facilities to the City for operation and maintenance by the City. The Master District retains operation and maintenance responsibilities for regional park/recreational facilities, non-potable water facilities, and detention pond and drainage ditch facilities constructed by the Master District. With respect to roads constructed by the Master District, the City has to date accepted such roads for operation and maintenance.

Payment Record... The District has previously issued one series of unlimited tax bonds for internal water, sewer and drainage facilities totaling $5,300,000 principal amount, all of which is currently outstanding (the "Outstanding Bonds"). See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Outstanding Bonds." The District has never defaulted on its debt obligations. The Bonds are the District's first issuance of unlimited tax road bonds. The District capitalized $344,138 of interest from the Outstanding Bonds in March of 2024 and will capitalize twelve (12) months of interest from proceeds of the Bonds. See "USE AND DISTRIBUTION OF BOND PROCEEDS."

Contract Revenue Bonds... The District, in its capacity as the Master District, has issued thirteen series of contract revenue bonds in the principal amount of $144,610,000 to fund Master District Water/Sewer/Drainage Facilities (as defined herein), eight series of contract revenue bonds in the principal amount of $75,360,000 to fund Master District Road Facilities (as defined herein), four series of Master District water/sewer/drainage contract revenue refunding bonds in the principal amount of $29,270,000, and one series of Master District road contract revenue refunding bonds in the principal amount of $9,910,000, of which $177,700,000 collectively remains outstanding. The Master District has filed a bond application with the TCEQ requesting approval to sell approximately $4,000,000 principal amount of Contract Revenue Bonds and expects approval from the TCEQ and issuance of such bonds in the third quarter of 2024. See "THE SYSTEM—Master District Contract" and "RISK FACTORS—Overlapping Debt and Taxes."

Future Debt... The District has filed a bond application with the TCEQ requesting approval to sell approximately $10,925,000 principal amount of unlimited tax bonds for water, sewer and drainage facilities (the "Series 2024B Bonds") and expects approval from the TCEQ and issuance of such bonds in the third quarter of 2024. See "RISK FACTORS—Future Debt."

THE BONDS

Description...	$7,170,000 Unlimited Tax Road Bonds, Series 2024A (the "Bonds") are being issued pursuant to a resolution authorizing the issuance of the Bonds (the "Bond Resolution") adopted by the District's Board of Directors (the "Board") as fully registered bonds. The Bonds are scheduled to mature serially on May 1 in each of the years 2027 through 2035, both inclusive, 2038 through 2049, both inclusive, and as term bonds maturing on May 1, 2037 (the "Term Bonds") in the principal amounts and accrue interest at the rates shown on the cover page hereof. The Bonds will be issued in denominations of $5,000 or integral multiples of $5,000. The Bonds will be dated August 1, 2024 and interest on the Bonds accrues from the Date of Delivery and is payable May 1, 2025, and each November 1 and May 1 thereafter, until the earlier of maturity or redemption. See "THE BONDS."
Book-Entry-Only System…	The Depository Trust Company (defined as "DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully- registered certificate will be issued for each maturity of the Bonds and will be deposited with DTC. See "BOOK-ENTRY-ONLY SYSTEM."
Redemption...	Bonds maturing on or after May 1, 2032, are subject to redemption in whole, or from time to time in part, at the option of the District prior to their maturity dates on May 1, 2031, or on any date thereafter at a price of par plus accrued interest on the principal amounts called for redemption to the date fixed for redemption. The Term Bonds are also subject to mandatory sinking fund redemption as more fully described herein. See "THE BONDS—Redemption Provisions."
Use of Proceeds...	Proceeds of the Bonds will be used to reimburse the Developers for construction costs shown herein under "USE AND DISTRIBUTION OF BOND PROCEEDS." In addition, Bond proceeds will be used to capitalize twelve (12) months of interest on the Bonds; to pay interest on funds advanced by the Developers on behalf of the District; to pay administrative and certain other costs associated with the Bonds; and to pay engineering fees related to the issuance of the Bonds.
Authority for Issuance...	The Bonds are the first series of bonds issued out of an aggregate of $10,556,000 principal amount of unlimited tax bonds authorized by the District's voters for the purpose of purchasing or constructing road facilities and the refunding of such bonds. The Bonds are issued by the District pursuant to the terms and conditions of the Bond Resolution, Article III, Section 52 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, as amended, and the general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas. See "THE BONDS—Authority for Issuance," "—Issuance of Additional Debt" and "RISK FACTORS—Future Debt."
Source of Payment...	Principal of and interest on the Bonds and the Outstanding Bonds are payable from the proceeds of a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property within the District. See "TAXING PROCEDURES." The Bonds are obligations of the District and are not obligations of the City, Fort Bend County, the State of Texas or any entity other than the District. See "THE BONDS—Source of Payment."
Municipal Bond Rating and Municipal Bond Insurance...	S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, ("S&P") has assigned a municipal bond insured rating of "AA" (stable outlook) to the Bonds with the understanding that, upon delivery of the Bonds, a municipal bond insurance policy ensuring the timely payment of the principal of and interest on the Bonds will be issued by ASSURED GUARANTY MUNICIPAL CORP. ("AGM") for the Bonds. An explanation of the rating may be obtained from S&P. No application has been made to a municipal rating company for an underlying rating on the Bonds, nor is it expected that the District would have received an investment grade rating if application had been made. See "RISK FACTORS—Risk Factors Related to the Purchase of Municipal Bond Insurance," "MUNICIPAL BOND RATING," "MUNICIPAL BOND INSURANCE" and "APPENDIX B."

Not Qualified Tax-Exempt Obligations...	The Bonds have not been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b) of the Internal Revenue Code of 1986, as amended.
Bond Counsel...	Allen Boone Humphries Robinson LLP, Houston, Texas. See "LEGAL MATTERS," and "TAX MATTERS."
Financial Advisor...	Masterson Advisors LLC, Houston, Texas.
Disclosure Counsel...	McCall, Parkhurst & Horton L.L.P., Houston, Texas.
Paying Agent/Registrar...	The Bank of New York Mellon Trust Company, N.A., Houston, Texas.

RISK FACTORS

The purchase and ownership of the Bonds are subject to special risk factors and all prospective purchasers are urged to examine carefully this entire Official Statement with respect to the investment security of the Bonds, including particularly the section captioned "RISK FACTORS."

SELECTED FINANCIAL INFORMATION (UNAUDITED)

2023 Certified Taxable Assessed Valuation	$115,975,577	(a)
2024 Preliminary Taxable Assessed Valuation	$309,374,397	(b)
Gross Direct Debt Outstanding	$12,470,000	(c)
Estimated Overlapping Debt	19,921,751	(d)
Gross Direct Debt and Estimated Overlapping Debt	$32,391,751	
Ratios of Gross Direct Debt to:		
2023 Certified Taxable Assessed Valuation	10.75%	
2024 Preliminary Taxable Assessed Valuation	4.03%	
Ratios of Gross Direct Debt and Estimated Overlapping Debt to:		
2023 Certified Taxable Assessed Valuation	27.93%	
2024 Preliminary Taxable Assessed Valuation	10.47%	
Operating Fund Balance as of June 3, 2024	$698,821	(e)
Capital Projects Fund Balance as of June 3, 2024	$309,288	
Contract Tax Fund Balance as of June 3, 2024	$365,915	
Funds Available for Debt Service:		
Water, Sewer and Drainage Debt Service Fund Balance as of June 3, 2024	$346,950	(f)
Capitalized Interest from proceeds of the Bonds (Road) (Twelve (12) Months)	318,769	(f)(g)
Total Funds Available for Debt Service	$665,719	
2023 Tax Rate:		
Contract	$0.52000	
Maintenance and Operations	0.81838	
Total	$1.33838	(h)(i)
Average Annual Debt Service Requirements (2025-2049) of the Bonds and the Outstanding Bonds (“Average Annual Requirement”)	$802,407	(j)
Maximum Annual Debt Service Requirements (2028) of the Bonds and the Outstanding Bonds (“Maximum Requirement”)	$936,631	(j)
Tax rate required to pay Average Annual Requirement based upon:		
2023 Certified Taxable Assessed Valuation at a 95% collection rate	$0.73	(k)
2024 Preliminary Taxable Assessed Valuation at a 95% collection rate	$0.28	(k)
Tax rate required to pay Maximum Annual Requirement based upon:		
2023 Certified Taxable Assessed Valuation at a 95% collection rate	$0.86	(k)
2024 Preliminary Taxable Assessed Valuation at a 95% collection rate	$0.32	(k)
Status of Development as of May 22, 2024 (l):		
Homes Completed (403 occupied)	465	
Homes Under Construction	71	
Developed Lots Available for Home Construction	181	
Apartment Units	348	
Estimated Population	1,800	(m)

(a) As certified by the Fort Bend Central Appraisal District (the “Appraisal District”). See “TAXING PROCEDURES.”
(b) Provided by the Appraisal District as a preliminary indication of the 2024 taxable assessed value (as of January 1, 2024). Such amount is subject to review and downward adjustment prior to certification. No tax will be levied on such amount until it is certified. See “TAXING PROCEDURES.”
(c) Includes the Outstanding Bonds and the Bonds. See “FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Outstanding Bonds.”
(d) See “FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Estimated Overlapping Debt.”
(e) See “RISK FACTORS—Operating Funds.”
(f) Funds in the Water, Sewer and Drainage Debt Service Fund are available to pay debt service on the Water, Sewer and Drainage Bonds and are not available to pay debt service on the Road Bonds, including the Bonds. Funds in the Road Debt Service Fund are available to pay debt service on the Road Bonds, including the Bonds, and are not available to pay debt service on the Water, Sewer and Drainage Bonds. See “THE BONDS—Funds.”
(g) The District will capitalize twelve (12) months of interest from Bond proceeds. See “USE AND DISTRIBUTION OF BOND PROCEEDS.”
(h) The District will levy its initial debt service tax rate in 2024. See “TAX DATA—Debt Service Tax.”
(i) Property owners in the District also pay taxes to the City of Fulshear (the “City”). The City’s 2023 tax rate is $0.168767.
(j) See “FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Debt Service Requirements.”
(k) Pursuant to a Utility Agreement between the District and the City, the City will pay to the District an Annual Payment (as defined herein), which based on the City’s 2023 tax rate is equal to 0.062510% times the taxable assessed value for all property within the District on the City’s tax rolls. The Annual Payment will be calculated by the City annually and adjusted based on the City’s tax rate as described herein. The Utility Agreement does not require the District to pledge the Annual Payment for payment of bonds or for any other purpose. Therefore, the Annual Payment is subject to modification by agreement of the District and the City. The Annual Payment is required to be deposited in the District’s Debt Service Fund and allocated only to the payment of debt service on unlimited tax bonds issued by the District to finance the District’s internal water, wastewater and drainage facilities (except any detention ponds, drainage channels and non-potable water facilities). The Annual Payment is not included in these calculations. See “THE DISTRICT—Utility Agreement with the City—*Annual Payment*.”
(l) See “THE DISTRICT—Land Use” and “—Status of Development.”
(m) Based upon 3.5 persons per occupied single-family residence and 2 persons per occupied apartment unit.

OFFICIAL STATEMENT

$7,170,000

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 169
(A political subdivision of the State of Texas located within Fort Bend County)

UNLIMITED TAX ROAD BONDS
SERIES 2024A

This Official Statement provides certain information in connection with the issuance by Fort Bend County Municipal Utility District No. 169 (the "District") of its $7,170,000 Unlimited Tax Road Bonds, Series 2024A (the "Bonds").

The Bonds are issued pursuant to Article III, Section 52 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, as amended, the general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the state of Texas, a resolution authorizing the issuance of the Bonds (the "Bond Resolution") adopted by the Board of Directors of the District (the "Board") and an election held within the District.

This Official Statement includes descriptions, among others, of the Bonds and the Bond Resolution, and certain other information about the District, CCR Texas Holdings, LP ("CCR Texas"), a Delaware limited partnership, CCR Loan Subsidiary 1, L.P. ("CCR Subsidiary"), a Texas limited partnership and a wholly owned subsidiary of CCR Texas, Johnson CCR Management LLC ("Johnson Manager"), and development activity in the District. CCR Texas and CCR Subsidiary are collectively referred to as the "Developers." All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each document. Copies of documents may be obtained from Allen Boone Humphries Robinson LLP, Bond Counsel, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027.

THE BONDS

Description

The Bonds will be dated August 1, 2024 and accrue interest from the Date of Delivery, with interest payable each May 1 and November 1, beginning May 1, 2025 (each, an "Interest Payment Date"), and will mature on the dates and in the amounts and accrue interest at the rates shown on the cover page hereof. The Bonds are issued in fully registered form, in denominations of $5,000 or any integral multiple of $5,000. Interest calculations are based on a 360-day year comprised of twelve 30-day months.

Method of Payment of Principal and Interest

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

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

Source of Payment

While the Bonds or any part of the principal thereof or interest thereon remain outstanding and unpaid, the District covenants in the Bond Resolution to levy a continuing direct annual ad valorem tax, without legal limit as to rate or amount, upon all taxable property in the District sufficient to pay the principal of and interest on the Bonds, with full allowance being made for delinquencies and costs of collection. In the Bond Resolution, the District covenants that said taxes are irrevocably pledged to the payment of the interest on and principal of the Bonds and to no other purpose.

The Bonds are obligations of the District and are not the obligations of the State of Texas, Fort Bend County, the City or any entity other than the District.

Funds

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

The Road Debt Service Fund is available for payment of principal of and interest on bonds issued for road facilities, including the Bonds. It is not available to pay principal of and interest on bonds issued for water, sewer and drainage facilities.

The District maintains a Water, Sewer and Drainage Debt Service Fund that is available for payment of debt service on bonds issued for water, sewer and drainage facilities. It is not available to pay principal or interest on bonds issued for road facilities, including the Bonds.

Twelve (12) months of capitalized interest shall be deposited into the Road Debt Service Fund upon receipt. The remaining proceeds of sale of the Bonds shall be deposited into the Road Capital Projects Fund to be used for the purpose of paying for certain construction costs, paying interest on funds advanced by the Developers and for paying the costs of issuance of the Bonds. See "USE AND DISTRIBUTION OF BOND PROCEEDS."

No Arbitrage

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

Redemption Provisions

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

$630,000 Term Bonds
Due May 1, 2037

Mandatory Redemption Date	Principal Amount
2036	$ 315,000
2037 (maturity)	315,000

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

Optional Redemption: The District reserves the right, at its option, to redeem the Bonds maturing on or after May 1, 2032, prior to their scheduled maturities, in whole or from time to time in part, in integral multiples of $5,000 on May 1, 2031, or any date thereafter, at a price of par plus accrued interest on the principal amounts called for redemption to the date fixed for redemption.

If less than all of the Bonds are redeemed at any time, the maturities of the Bonds to be redeemed will be selected by the District. If less than all the Bonds of a certain maturity are to be redeemed, the particular Bonds to be redeemed shall be selected by the Paying Agent/Registrar by lot or other random method (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form).

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

Authority for Issuance

At a bond election held within the District, voters of the District authorized the issuance of $10,556,000 principal amount of unlimited tax bonds for purchasing or constructing road facilities and refunding of such bonds. The Bonds are being issued pursuant to such authorization. See “—Issuance of Additional Debt” herein.

The Bonds are issued by the District pursuant to the terms and conditions of the Bond Resolution, Article III, Section 52 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, as amended, the general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas and an election held within the District.

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.

Registration and Transfer

So long as any Bonds remain outstanding, the Paying Agent/Registrar shall keep the Register at its principal payment office and, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with the terms of the Bond Resolution. While the Bonds are in the Book-Entry-Only System, the Bonds will be registered in the name of Cede & Co. and will not be transferable. See “BOOK-ENTRY-ONLY SYSTEM.”

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

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

Neither the District nor the Paying Agent/Registrar shall be required to transfer or to exchange any Bond during the period beginning on the 15th calendar day of the month next preceding an Interest Payment Date and ending on the next succeeding Interest Payment Date or to transfer or exchange any Bond called for redemption during the thirty (30) day period prior to the date fixed for redemption of such Bond.

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

Lost, Stolen or Destroyed Bonds

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

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

Replacement of Paying Agent/Registrar

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

Issuance of Additional Debt

The District may issue additional bonds, with the approval of the Texas Commission on Environmental Quality (the "TCEQ" or "Commission") (other than road bonds and refunding bonds), necessary to provide and maintain improvements and facilities consistent with the purposes for which the District was created. The District's voters have authorized the issuance of $48,748,000 principal amount of unlimited tax bonds for the purpose of purchasing or constructing internal water, sewer and drainage facilities and refunding of such bonds, $23,212,000 principal amount of unlimited tax bonds for purchasing or constructing parks and recreational facilities and refunding of such bonds, and $10,556,000 principal amount of unlimited tax bonds for the purpose of purchasing or constructing road facilities and refunding of such bonds. After issuance of the Bonds, $3,386,000 principal amount of unlimited tax bonds for the purpose of purchasing or constructing road facilities and refunding of such bonds, all of the authorized bonds for purchasing or constructing parks and recreational facilities and refunding of such bonds and $43,448,000 of the authorized bonds for purchasing or constructing internal water, sewer and drainage facilities and refunding of such bonds will remain authorized but unissued. In addition, voters may authorize the issuance of additional bonds secured by ad valorem taxes. The issuance of additional obligations may increase the District's tax rate and adversely affect the security for, and the investment quality and value of, the Bonds. The District has filed a bond application with the TCEQ requesting approval to sell approximately $10,925,000 principal amount of unlimited tax bonds for water, sewer and drainage facilities (the "Series 2024B Bonds") and expects approval from the TCEQ and issuance of such bonds in the third quarter of 2024. See "RISK FACTORS—Future Debt." After reimbursement with the proceeds of the Bonds and the Series 2024B Bonds, which are expected to be issued in the third quarter of 2024, the Developers will continue to be owed approximately $3,250,000 for financing the design, construction, engineering and acquisition of District road facilities and $3,830,000 for financing the design, construction, engineering and acquisition of District water, sewer and drainage facilities.

In addition, the District, in its capacity as a MUD Participant, is responsible for its share of the debt service on the Contract Revenue Bonds issued by the Master District (as defined herein) to finance capital costs for regional water, sewer, and drainage facilities and for regional road facilities serving the Service Area (as defined herein). See "THE SYSTEM—The Master District" and "RISK FACTORS—Overlapping Master District Debt and Contract Tax."

The District is also authorized by statute to engage in fire-fighting activities, including the issuance of bonds payable from taxes for such purpose. Before the District could issue 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 Board has not considered preparing such a fire plan or calling an election to authorize firefighting activities at this time. Issuance of bonds for fire-fighting activities could dilute the investment security for the Bonds.

Financing Parks and Recreational Facilities

The District is authorized by statute to develop parks and recreational facilities, including the issuing of bonds payable from taxes for such purpose. The District has developed and adopted a detailed park plan, and the qualified voters in the District have authorized the issuance of $23,212,000 principal amount of unlimited tax bonds for purchasing or constructing parks and recreational facilities and refunding such bonds, all of which remains authorized but unissued. In addition, the voters may authorize the issuance of additional bonds secured by ad valorem taxes.

Pursuant to the Contract for Financing, Operation and Maintenance of Regional Facilities, as amended (the "Master District Contract"), the Master District will fund the design and construction of the park and recreational facilities serving Cross Creek Ranch ("Master District Park Facilities") through park connection fees imposed by the Master District on each MUD Participant, including the District, based on the number of connections reserved by a MUD Participant ("Park Connection Fees"). The Master District Contract provides that the Master District will compute Park Connection Fees on the basis of the then estimated total capital costs of providing the Master District Park Facilities for all of the Service Area minus the Park Connection Fees which have been previously paid to the Master District, and dividing the result by the number of estimated total connections to be constructed within the Service Area minus the number of connections for which Park Connection Fees have been previously paid to the Master District. Each MUD Participant may issue bonds, or use other legally available funds, to pay for Park Connection Fees. In no event will a MUD Participant owe an amount for Park Connection Fees (whether paid by bond proceeds of the MUD Participant or other available funds) that exceeds any legal limit that would apply if the MUD Participant were to fund its obligation to pay for Park Connection Fees solely through the issuance of bonds. The outstanding principal amount of bonds issued by any MUD Participant to finance park/recreational facilities payable from any source may not exceed one percent (1%) of the District's taxable value, unless the district meets certain financial feasibility requirements under the TCEQ rules, in which case the outstanding principal amount of such bonds issued by the district may exceed an amount equal to one percent (1%) but not three percent (3%) of the value of the taxable property in the district. Park Connection Fees are generally due from each MUD Participant to the Master District at the time a MUD Participant reserves capacity in the Master District Facilities (as defined herein); however, no Park Connection Fees are due until a MUD Participant's certified taxable value exceeds $100,000,000. The Master District Contract allows the Master District to delay the due date for Park Connection Fees from a MUD Participant until such time as that MUD Participant has sufficient bond funds available to pay same. The Master District may refuse to allow a MUD Participant to receive additional connections in the Master District Facilities if the MUD Participant fails to pay the Master District the Park Connection Fees. For the purpose of funding Park Connection Fees, the Master District may require that each MUD Participant file one or more bond applications with the TCEQ no later than the date that 75% of the above-ground improvements within the MUD Participant have been constructed or are under construction. See "THE SYSTEM—The Master District."

Dissolution

Under existing Texas law, since the District lies wholly within the corporate limits of the City, the District may be dissolved by the City, without the District's consent, subject to compliance by the City with Chapter 43 of the Texas Local Government Code, as amended. The Utility Agreement between the City and the District places certain restrictions on the City's right to dissolve the District. See "THE DISTRICT—Utility Agreement with the City—*Dissolution of the District*." If the District is dissolved, the City must assume the District's assets and obligations (including the Bonds) and abolish the District. Dissolution of the District by the City is a policy-making matter within the discretion of the Mayor and City Council of the City, and therefore, the District makes no representation that the City will ever dissolve the District and assume its debt. Moreover, no representation is made concerning the ability of the City to make debt service payments should dissolution occur.

Consolidation

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

Remedies in Event of Default

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

Legal Investment and Eligibility to Secure Public Funds in Texas

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

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

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

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

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

Defeasance

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

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

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

BOOK-ENTRY-ONLY SYSTEM

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy or completeness thereof The District cannot and does not give any assurances that DTC, DTC Direct Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) prepayment or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will do so on a timely basis or that DTC, DTC Direct Participants or DTC Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedure" of DTC to be followed in dealing with DTC Direct Participants are on file with DTC.

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

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

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

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

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District 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).

All 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 Bonds 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 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.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but neither the District nor the Underwriter take any responsibility for the accuracy thereof.

USE AND DISTRIBUTION OF BOND PROCEEDS

The construction costs below were compiled by BGE, Inc., the District's engineer (the "Engineer"), and are based upon either contract amounts, or estimates of various costs by the Engineer and Masterson Advisors LLC (the "Financial Advisor"). The actual amounts to be reimbursed by the District and the non-construction costs will be finalized after the sale of the Bonds and review by the District's auditor prior to disbursement. Surplus funds, if any, may be expended for any authorized and lawful purpose for which surplus construction funds may be used.

CONSTRUCTION COSTS		
Creek Rush at Cross Creek Ranch Section One	$	599,130
Creek Rush at Cross Creek Ranch Section Two		709,060
Creek Rush at Cross Creek Ranch Section Three		817,140
Creek Rush at Cross Creek Ranch Section Four		644,196
Creek Rush at Cross Creek Ranch Section Five		810,553
Creek Rush at Cross Creek Ranch Section Six		311,673
Engineering, Geotechnical Report and Materials Testing		562,300
Land Acquisition for Road Right-of-Way		1,140,598
TOTAL CONSTRUCTION COST	**$**	**5,594,651**
NON-CONSTRUCTION COSTS		
Underwriter's Discount (a)	$	214,365
Capitalized Interest (Twelve (12) Months) (a)		318,769
Developer Interest (Estimated)		598,175
Total Non-Construction Costs	**$**	**1,131,309**
ISSUANCE COSTS AND FEES		
Issuance Costs and Professional Fees	$	371,404
State Regulatory Fees		7,170
Bond Engineering Costs		25,000
Contingency (a)		40,466
Total Non-Construction Costs	**$**	**444,040**
TOTAL BOND ISSUE	**$**	**7,170,000**

(a) Contingency represents the difference between the estimated and actual amount of Underwriter's discount and capitalized interest.

CROSS CREEK RANCH DEVELOPMENT

The District is part of a development project known as Cross Creek Ranch covering approximately 3,200 acres of land and planned for approximately 6,176 single-family homes (the "Service Area"). The Cross Creek Ranch project consists of five municipal utility districts: the District, Fort Bend County Municipal Utility District No. 170 ("MUD 170"), Fort Bend County Municipal Utility District No. 171 ("MUD 171"), Fort Bend County Municipal Utility District No. 172 ("MUD 172"), and Fort Bend County Municipal Utility District No. 173 ("MUD 173") (collectively referred to herein as the "MUD Participants"). The District, in its capacity as Master District, provides regional wastewater collection and treatment facilities; water supply and delivery facilities; detention/drainage facilities; park/recreational facilities; and road facilities that are arterial, collector, or thoroughfare roads; certain of which are then accepted by the City for operation and maintenance.

THE DISTRICT

General

The District is a municipal utility district created by order of the TCEQ on August 21, 2007. The rights, powers, privileges, authority and functions of the District are established by the general laws of the State of Texas pertaining to utility districts, particularly Article III, Section 52 and Article XVI, Section 59 of the Texas Constitution, and Chapters 49 and 54 of the Texas Water Code, as amended.

The District is empowered, among other things, to purchase, construct, operate and maintain all works, improvements, facilities and plants for the supply and distribution of water; the collection, transportation, and treatment of wastewater; the control and diversion of storm water; and the provision of parks and recreational facilities. The District is also empowered to construct thoroughfare, arterial and collector roads and improvements in aid thereof. (All of such District water, sewer and drainage facilities are referred to herein as "District Facilities.") The District may issue bonds and other forms of indebtedness to purchase or construct all of such facilities. The District is also empowered to establish, operate, and maintain fire-fighting facilities, independently or with one or more conservation and reclamation districts after approval by the TCEQ and the voters of the District.

The TCEQ exercises continuing supervisory jurisdiction over the District. The District, pursuant to the City's resolution consenting to the creation of the District (the "City's Consent Resolution"), is required to observe certain requirements of the City which (1) limit the purposes for which the District may sell bonds to the acquisition, construction, and improvement of waterworks, wastewater, drainage, recreational, road, and fire-fighting facilities, (2) limit the net effective interest rate on such bonds and other terms of such bonds, (3) require approval by the City of District construction plans (except for park/recreational facilities), and (4) permit connections only to platted lots and reserves which have been approved by the Planning Commission of the City. Construction and operation of facilities constructed by the District are subject to the regulatory jurisdiction of additional governmental agencies. See "THE SYSTEM—Regulation."

Utility Agreement with the City

The District operates pursuant to a Utility Agreement between the City and the District dated as of December 18, 2007, as amended (the "Utility Agreement"). The Utility Agreement expires December 18, 2055, unless otherwise previously terminated pursuant to the terms of the Utility Agreement. Pursuant to the Utility Agreement, the District has agreed to acquire and construct, for ultimate conveyance to the City, the water distribution, wastewater collection and certain drainage facilities to serve development occurring within the boundaries of the District (the "District Utility Facilities") and the City has agreed to make annual payments (as described herein) to the District in consideration of the District's financing, acquisition, and construction of the District Utility Facilities. See "THE DISTRICT—Utility Agreement with the City—*Annual Payment*."

The District Facilities: The Utility Agreement provides that the District Utility Facilities will be designed and constructed in accordance with the City's requirements and criteria. See "THE SYSTEM."

Authority of District to Issue Bonds: The District has the authority to issue, sell, and deliver bonds as permitted by law and the City's Consent Resolution. Bonds issued by the District are obligations solely of the District and shall not be construed to be obligations or indebtedness of the City.

Ownership, Operation, and Maintenance of the District Utility Facilities: Upon completion of construction of the District Utility Facilities, the District agrees to convey the District Utility Facilities to the City, reserving for itself a security interest in the District Utility Facilities for the purpose of securing the performance of the City under the Utility Agreement. When all bonds issued by the District to acquire and construct the applicable District Utility Facilities have been paid or redeemed and discharged in full, the District agrees to execute a release of the security interest retained by the District and the City shall own the District Utility Facilities without such encumbrance. As each phase of the District Utility Facilities is completed, the City agrees to inspect the same and upon approval, will accept the District Utility Facilities for operation and maintenance. From then on, the District Utility Facilities shall be operated and maintained by the City at its sole cost and expense. Initially, the City operated the District Utility Facilities by contracting with a qualified third-party company, and now that the land within the MUD Participants has more than 3,000 connections, the City is authorized by the Utility Agreement to independently operate the District Utility Facilities. On May 1, 2021, the City began independently operating the District Utility Facilities. The City continues to keep Inframark, Inc. under contract as needed to operate the District Utility Facilities and the water and sewer facilities of the MUD Participants. Detention pond and drainage ditch facilities, as well as park and recreational facilities and non-potable water facilities, constructed by the Master District that serve the Service Area are not conveyed to the City, as the Master District is responsible for operation and maintenance hereof.

The Utility Agreement provides that the City shall fix rates and charges for customers of the District Utility Facilities for services afforded by the District Utility Facilities, provided that such rates and charges will not exceed the rates charged other users within the City. Other than water and sewer rates and tap fees, the City may not impose any additional fee or charge (including a capital recovery fee or impact fee) on users of the District Utility Facilities. The District is not entitled to any water and sewer charges, tap fees or any other revenue from the District Utility Facilities, as all of same belongs exclusively to the City.

Annual Payment: The Utility Agreement provides that the City will pay the Annual Payment to the District on February 28th of each year until and including February 28, 2055, provided, however, the City will not be required to pay the Annual Payment to the District once the District no longer has debt service on the unlimited tax bonds issued to finance the water, wastewater and drainage facilities described below. The Utility Agreement provides that the Annual Payment shall be deposited by the District into a debt service fund and allocated only to the payment of debt service on unlimited tax bonds issued by the District to finance the District's internal water, wastewater and drainage facilities (except any detention ponds, drainage channels and non-potable water facilities). The Annual Payment may not be used to pay the District's contractual obligation to pay a portion of the debt service on Contract Revenue Bonds issued by the Master District to finance regional facilities. The Utility Agreement does not require the District to pledge the Annual Payment for payment of the debt service on the District's unlimited tax bonds. Therefore, the Annual Payment is subject to modification by agreement of the District and the City.

The Annual Payment shall be calculated by the City annually. the Annual Payment is equal to a percentage (the "Percentage"), initially 0.062510%, times the taxable assessed value for all property within the District on the City's tax rolls (the "Annual Payment"). The Percentage shall be adjusted based on the City's tax rate, as follows: in the event the City's ad valorem tax is (i) equal to or greater than \$0.22 per \$100 of assessed value, but less than \$0.24 per \$100 of assessed value, then the Percentage shall be 0.07%, (ii) equal to or greater than \$0.24 per \$100 of assessed value but less than \$0.26 per \$100 of assessed value, then the Percentage shall be 0.08%, (iii) equal to or greater than \$0.26 per \$100 of assessed value but less than \$0.28 per \$100 of assessed value, then the Percentage shall be 0.09%, (iv) equal to or greater than \$0.28 per \$100 of assessed value but less than \$0.30 per \$100 of assessed value, then the Percentage shall be 0.10%, (v) equal to or greater than \$0.30 per \$100 of assessed value, then the Percentage shall be 0.11%.

Dissolution of the District: The City has the right to abolish and dissolve the District and to acquire the District's assets and assume the District's obligations in accordance with state law. The Utility Agreement provides, however, that the District shall not be abolished until (1) the Developers have fully developed 90% of their developable acreage within the District; (2) the remaining 10% developable acreage owned by the Developers has had water, sewer and drainage facilities installed which are necessary to serve the area; and (3) the Developers have been fully reimbursed by the District, in accordance with TCEQ rules, for all of the Developers' eligible development and construction costs.

Description and Location

The District consists of approximately 321 acres of land. The District is located in Fort Bend County, approximately 31 miles west of the central downtown business district of the City of Houston, Texas. The District lies wholly within the city limits of the City and within the boundaries of the Lamar Consolidated Independent School District. The District is located north of FM 1093 and west of Texas Heritage Parkway. See "AERIAL PHOTOGRAPH."

Land Use

The following table has been provided by the Engineer and represents the current land use within the District.

	Approximate Acres	Lots
Single Family Residential		
Creek Rush at Cross Creek Ranch, Section 1	19	80
Creek Rush at Cross Creek Ranch, Section 2	22	88
Creek Rush at Cross Creek Ranch, Section 3	23	88
Creek Rush at Cross Creek Ranch, Section 4	21	62
Creek Rush at Cross Creek Ranch, Section 5	20	60
Creek Rush at Cross Creek Ranch, Section 6	7	54
Creek Rush at Cross Creek Ranch, Section 7	7	56
Creek Rush at Cross Creek Ranch, Section 8	23	82
Creek Rush at Cross Creek Ranch, Section 9	30	108
Legacy Ridge at Cross Creek Ranch	9	39
Subtotal	181	717
Multi-Family (a)	27	-
School (Tax-Exempt) (b)	15	-
Recreational	4	-
Non-Developable (c)	94	-
Subtotal	140	-
Total	321	717

(a) An apartment complex has been constructed on approximately 15 acres. In addition, a multi-family apartment complex is under construction on approximately 12 acres with completion expected in the fourth quarter of 2025. See "—Status of Development" below.
(b) An elementary school is currently under construction and expected to be completed by August of 2024 and open for the 2024-2025 school year.
(c) Includes public rights-of-way, detention, open spaces, easements, parks and utility sites.

Status of Development

Single-family residential development within the District currently includes Creek Rush at Cross Creek Ranch, Sections One through Nine and Legacy Ridge at Cross Creek Ranch (717 single-family residential lots constructed on approximately 181 acres). As of May 22, 2024, there were 465 completed homes (403 occupied), 71 homes under construction and 181 developed lots available for home construction in the District.

The Broadstone Cross Creek Ranch Apartments (348 units) have been constructed on approximately 15 acres in the District. The Broadstone Cross Creek Ranch Apartments began leasing in the summer of 2023 and according to apartment management, the apartments are approximately 56% occupied as of the date hereof. In addition, a multi-family apartment complex is under construction on approximately 12 acres in the District with completion expected in the fourth quarter of 2025. The estimated population in the District is approximately 1,800 based upon 3.5 persons per occupied single-family residence and 2 persons per occupied apartment unit.

A Lamar Consolidated Independent School District elementary school is currently under construction on approximately 15 acres in the District and expected to be completed in August of 2024 and open for the 2024-2025 school year. The elementary school is exempt from the payment of ad valorem taxes.

Approximately 94 acres in the District are not developable, consisting of public rights-of-way, detention, open spaces, easements, parks and utility sites.

Homebuilding

Lennar Homes, Perry Homes, Newmark Homes, Tri Pointe Homes, Highland Homes and Partners in Building are building homes in the District, which range in sales price from approximately $300,000 to $1,740,000 pursuant to lot sales contracts with the Developer. Homebuilders in the District contract directly with the Developer and have no obligation to or agreement with the District to construct any homes or other improvements in the District.

Recreational Facilities

A recreational center has been constructed on approximately 4 acres in the District, and includes a pool, tennis and pickle ball courts, and a fitness room. Additional recreational amenities within Cross Creek Ranch include the Cross Creek Fitness Center, a 6,500 square foot fitness center operated by Risher Fitness Management, Inc and the Adventure Island Water Park, which includes a pool, a splash pad, a wading pool and a water slide, both located in MUD 171. The Canine Commons Dog Park, Flewellen Creek Pool, and Pine Park have been constructed in MUD 172. A recreation center has been constructed in MUD 170. The master plan for Cross Creek Ranch currently includes over 400 acres of green space, including hundreds of acres of lakes and trails that flow through the community along the Flewellen Creek, which plan may be amended from time to time.

THE DEVELOPERS

Role of a Developer

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

CCR Texas Holdings LP and CCR Loan Subsidiary 1, L.P.

The primary developers of Cross Creek Ranch are CCR Texas Holdings LP, a Delaware limited partnership ("CCR Texas") with Johnson/CCR GP, LLC as its general partner, and CCR Loan Subsidiary 1, L.P. ("CCR Subsidiary"), a Texas limited partnership with CCR Loan Sub 1 LLC as its general partner. CCR Subsidiary is wholly owned by CCR Texas. CCR Texas and CCR Subsidiary are collectively referred to herein as the "Developers."

The Development Manager

Johnson CCR Management LLC, an affiliate of The Johnson Development Corp. ("JDC") is the development manager for Cross Creek Ranch. JDC is a Houston-based, residential and commercial land development company with over forty years of experience in real estate development. JDC has developed master-planned communities in the Houston, Texas metropolitan area, Atlanta, Georgia metropolitan area, Dallas, Texas metropolitan area and San Antonio, Texas.

Prospective purchasers of the Bonds should note that the prior real estate experience of a developer should not be construed as an indication that further development within the District will occur, 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.

MANAGEMENT OF THE DISTRICT

Board of Directors

The District is governed by the Board, consisting of five (5) directors, which has control over and management supervision of all affairs of the District. Directors are elected to four-year terms and elections are held in May in even numbered years only. None of the members of the Board resides in the District. Each of the members owns land within the District, subject to a note and deed of trust in favor of CCR Texas. Directors have staggered four-year terms. The current members of the Board, along with their titles and terms, are listed as follows:

Name	Title	Term Expires
Arden J. Morley	President	May 2028
John Preston	Vice President	May 2028
Gary Swafford	Secretary	May 2026
Kenneth Martinec	Assistant Secretary	May 2026
Barbara Jo D'Andrea	Assistant Vice President	May 2026

District Consultants

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

Bond Counsel/Attorney: The District has engaged Allen Boone Humphries Robinson LLP as general counsel to the District and as Bond Counsel in connection with the issuance of the District's Bonds. The legal fees to be paid to Bond Counsel for services rendered in connection with the issuance of the Bonds are based on a percentage of the Bonds actually issued, sold and delivered and, therefore, such fees are contingent upon the sale and delivery of the Bonds.

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

Auditor: The District's financial statements for the year ended September 30, 2023, were audited by McGrath & Co. PLLC. See "APPENDIX A" for a copy of the District's September 30, 2023 financial statements.

Engineer: The District's consulting engineer is BGE, Inc.

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

Utility System Operator: The City independently operates the District Utility Facilities. The City continues to keep Inframark, Inc. under contract as needed to assist with the operation of the District Utility Facilities and the water and sewer facilities of the District.

Tax Appraisal: The Fort Bend Central Appraisal District has the responsibility of appraising all property within the District. See "TAXING PROCEDURES."

Tax Assessor/Collector: The District has appointed an independent tax assessor/collector to perform the tax collection function. Assessments of the Southwest Inc. (the "Tax Assessor/Collector") has been engaged by the District to serve in this capacity.

Disclosure Counsel: The District has engaged McCall, Parkhurst & Horton L.L.P., Houston, Texas as disclosure counsel. The fees paid to disclosure counsel in connection with the issuance of the Bonds are contingent upon the sale and delivery of the Bonds.

THE SYSTEM

The Master District

The District is herein referred to as the "Master District," in its capacity as the provider of regional water, sanitary sewer, drainage, park/recreational and road facilities that are arterial, collector or thoroughfare roads (hereinafter collectively referred to as the "Master District Facilities") necessary to serve the Service Area. By execution of the "Contract for Financing, Operation, and Maintenance of Regional Facilities," as amended (the "Master District Contract"), each of the MUD Participants agrees that the Master District will construct Master District Facilities. In addition, each MUD Participant will be obligated to make contract payments equal to its pro rata share of annual debt service (i) on the contract revenue bonds issued by the Master District for water, sewer and drainage facilities (the "Water/Sewer/Drainage Contract Revenue Bonds") plus all charges and expenses of paying agents, registrars and trustees, and all amounts required to establish and maintain funds, including the Water/Sewer/Drainage Reserve Fund established under the bond resolutions for Water/Sewer/Drainage Contract Revenue Bonds or the Water/Sewer/Drainage Indenture based upon the gross certified assessed valuation of each such MUD Participant as a percentage of the total gross certified assessed valuation of all MUD Participants ("Water/Sewer/Drainage Contract Payment(s)"); and (ii) on the contract revenue bonds issued by the Master District for road facilities (the "Road Contract Revenue Bonds") plus all charges and expenses of paying agents, registrars and trustees, and all amounts required to establish and maintain funds, including the Road Reserve Fund established under the bond resolutions for Road Contract Revenue Bonds or Road Indenture based upon the gross certified assessed valuation of each such MUD Participant as a percentage of the total gross certified assessed valuation of all MUD Participants (the "Road Contract Payment(s)"). The Water/Sewer/Drainage Contract Revenue Bonds and the Road Contract Revenue Bonds are collectively referred to herein as the "Contract Revenue Bonds." The Master District Contract also provides for operation and maintenance expenses for facilities constructed pursuant to the Master District Contract; duties of the parties; establishment and maintenance of funds; assignment; arbitration; amendments; force majeure; insurance; and other provisions.

With the exception of Master District Park Facilities, the Master District Facilities have been and will be financed with the proceeds of Contract Revenue Bonds to be issued by the Master District. The Master District is authorized pursuant to the Master District Contract to issue Contract Revenue Bonds in the principal amount of $483,000,000 for water, sewer and drainage purposes (and for the purpose of refunding same) and in the principal amount of $121,450,000 for road facilities (and for the purpose of refunding same). Pursuant to the Master District Contract, approval by each MUD Participant and approval by the voters at an election held by each MUD Participant is required prior to any amendment to the Master District Contract that would increase such $483,000,000 authorized amount, and/or such $121,450,000 authorized amount. Out of such $483,000,000 authorization, the Master District has issued thirteen series of Contract Revenue Bonds (Water, Sewer and Drainage Facilities) in the aggregate principal amount of $144,610,000 and four series of Contract Revenue Refunding Bonds in the aggregate principal amount of $29,270,000. Out of the $121,450,000 authorization for road facilities, the Master District has issued eight series of Contract Revenue Bonds (Road Facilities) in the aggregate principal amount of $75,360,000 and one series of Contract Revenue Refunding Bonds (Road Facilities) in the aggregate principal amount of $9,910,000. The Master District has filed a bond application with the TCEQ requesting approval to sell approximately $4,000,000 principal amount of Contract Revenue Bonds and expects approval from the TCEQ and issuance of such bonds in the third quarter of 2024.

The District's pro rata share of the debt service requirements on the Contract Revenue Bonds is determined annually by dividing the District's certified gross appraised value by the cumulative total of the certified gross appraised values of all the MUD Participants. The Master District Contract obligates the District to pay its pro rata share of annual debt service requirements on the Contract Revenue Bonds from the proceeds of ad valorem taxes levied by the District for such purpose ("Contract Tax"), revenues, if any, derived from the operation of the District's water distribution and wastewater collection system or from any other legally available funds of the District. See "TAX DATA—Contract Tax" and "RISK FACTORS—Overlapping Debt and Taxes." Since the District's water distribution and wastewater collection system are required to be conveyed to the City pursuant to the Utility Agreement between the District and the City, it is not expected that the District will have any revenues from such system. See "THE DISTRICT—Utility Agreement with City."

The Master District Contract originally authorized the Master District to pay the capital costs of designing and constructing the regional park/recreational facilities ("Master District Park Facilities") through either: (1) issuance of contract revenue bonds in a principal amount not to exceed $237,440,000 to pay for Master District Park Facilities and refund bonds issued for Master District Park Facilities, all of which bonds would be payable from and secured by the MUD Participants' unconditional obligation to make payments to the Master District from the proceeds of ad valorem taxes levied by the MUD Participants, or (2) park construction charges ("Park Construction Charges") imposed by the Master District on each MUD Participant based on the number of connections reserved by a MUD Participant. In January 2012, each MUD Participant executed an amendment to the Master District Contract providing that the Master District will fund Master District Park Facilities through such Park Construction Charges to be paid by each MUD Participant (including the District in its capacity as a MUD Participant). Accordingly, the Master District is not authorized to issue any of said $237,440,000 for contract revenue bonds to fund Master District Park Facilities unless the Master District Contract is amended by the MUD Participants in the future to allow it to do so. The Master District Contract provides that the Master District will compute Park Construction Charges on the basis of the then estimated total capital costs of providing the Master District Park Facilities for all of the Service Area minus the Park Construction Charges which have been previously paid to the Master District, and dividing the result by the number of estimated total connections to be constructed within the Service Area minus the number of connections for which Park Construction Charges have been previously paid to the Master District. Each MUD Participant may issue bonds, or use other legally available funds, to pay for Park Construction

Charges. In no event will a MUD Participant owe an amount for Park Construction Charges (whether paid by bond proceeds of the MUD Participant or other available funds) that exceeds any legal limit that would apply if the MUD Participant were to fund its obligation to pay for Park Construction Charges solely through the issuance of bonds. The outstanding principal amount of bonds issued by any MUD Participant to finance park/recreational facilities may not exceed an amount equal to one percent (1%) of the value of the taxable property in that district, unless, the MUD Participant meets certain financial feasibility requirements under the TCEQ rules, in which case the outstanding principal amount of such bonds issued by any MUD Participant may exceed an amount equal to one percent (1%) but not three percent (3%) of the value of the taxable property in that district. Park Construction Charges are generally due from each MUD Participant to the Master District at the time a MUD Participant reserves capacity in the Master District Facilities; however, no Park Construction Charges are due until a MUD Participant's certified taxable value exceeds $100,000,000. The Master District Contract allows the Master District to delay the due date for Park Construction Charges from a MUD Participant until such time as that MUD Participant has sufficient bond funds available to pay same. The Master District may refuse to allow a MUD Participant to receive additional connections in the Master District Facilities if the MUD Participant fails to pay the Master District the Park Construction Charges. For the purpose of funding Park Construction Charges, the Master District may require that each MUD Participant file one or more bond applications with the TCEQ no later than the date that 75% of the above-ground improvements within the MUD Participant have been constructed or are under construction. MUD 170 has issued $6,335,000 of unlimited tax bonds for the purpose of paying Park Construction Charges to the Master District. MUD 171 has issued $1,600,000 of unlimited tax bonds for the purpose of paying Park Construction Charges to the Master District and paid the Master District for additional Park Construction Changes in 2016 using surplus bond proceeds and operating funds. MUD 172 has issued $9,455,000 of unlimited tax bonds for the purpose of paying Park Construction Charges to the Master District. MUD 173 has issued $3,850,000 of unlimited tax bonds for the purpose of paying Park Construction Charges to the Master District.

The Master District Facilities will be constructed in stages to meet the needs of a continually expanding population within the Service Area. In the event that the Master District fails to meet its obligations under the Master District Contract to provide Master District Water/Sewer/Drainage Facilities, each of the other MUD Participants has the right pursuant to the Master District Contract to design, acquire, construct, or expand such regional facilities needed to provide service to such MUD Participants, and convey such facilities to the Master District in consideration of payment by the Master District of the actual reasonable and necessary capital costs expended by such MUD Participant for such facilities.

The District is further obligated to pay monthly charges for its share of the Master District's operation and maintenance expense in connection with the Master District's provision of service from regional park/recreational, detention pond, and drainage ditch facilities and service from any regional water, sanitary sewer, storm sewer, or road facilities that are not being fully operated or maintained by the City. The monthly charges will be used to pay the District's share of Master District operation and maintenance expenses and to provide for an operation and maintenance reserve equivalent to three (3) months of operation and maintenance expenses. The District's share of operation and maintenance expenses and reserve requirements is based upon a unit cost of operation and maintenance expense and reserve requirements, calculated and expressed in terms of cost per equivalent single-family residential connection. The District's monthly payment for operation and maintenance expenses is calculated by multiplying the number of equivalent single-family residential connections reserved to the District on the first day of the previous month by the unit cost per equivalent single-family residential connection. See "DISTRICT OPERATIONS."

Pursuant to the Master District Contract, the District is obligated to levy and collect a continuing direct ad valorem tax on all taxable property within the boundaries of the District in amounts that are sufficient, together with funds received from any other lawful sources, at all times to pay the District's obligations pursuant to the Master District Contract, including the District's pro rata share of the Master District's annual debt service requirements and monthly charges. All sums payable by the District pursuant to the Master District Contract are to be paid by the District without set off, counterclaim, abatement, suspension or diminution.

Master District Facilities

Operation of Master District Facilities: The potable water supply facilities and wastewater treatment facilities constructed by or on the behalf of the Master District are conveyed to the City for operation and maintenance in accordance with the Utility Agreement and all capacity in said facilities is reserved for the Master District. The City currently operates such facilities. Each MUD Participant's customers are billed by the City for water and sewer service. See "THE MUD PARTICIPANTS—Utility Agreement with the City."

Water Supply: The potable water supply facilities constructed by or on behalf of the Master District and being operated by the City ("Water Supply Facilities") currently consist of three water plants. Water Plant No. 1 consists of a 1,500 gallons per minute ("gpm") water well and one 1,000 gpm water well; 840,000 gallons of ground storage capacity; 9,300 gpm of booster pump capacity; pressure tank capacity of 60,000 gallons and all related appurtenances. Water Plant No. 2 consists of a 1,650 gpm water well; 860,000 gallons of ground storage capacity; pressure tank capacity of 60,000 gallons; 4,900 gpm booster tank capacity and all related appurtenances. Water Plant No. 3 consists of a 1,650 gpm water well; 430,000 gallons of ground storage capacity; pressure tank capacity of 30,000 gallons; 4,900 gpm of booster tank capacity and all related appurtenances. The major components of the Master District's Water Supply Facilities have the capacity to serve approximately 8,928 equivalent single-family connections ("ESFCs") of which 929 ESFCs are allocated to the District. According to the District's Engineer, the Master District has a current reserved capacity for 7,763 ESFCs for the MUD Participants and 7,303 active ESFCs are being served by the Water Supply Facilities as of May 8, 2024.

In order to fully provide water supply to the Service Area, the Water Supply Facilities will need to be expanded from time to time to meet the demand for such facilities. By reserving capacity, the Master District assumes the responsibility to expand facilities as needed to provide service for reserved connections as they become active.

The Master District owns and operates non-potable water pump stations and waterlines used for irrigation purposes within the Service Area.

Wastewater Treatment: The Master District is responsible for planning and providing major wastewater collection and treatment facilities ("Wastewater Treatment Facilities") to the MUD Participants within the Service Area. The MUD Participants finance their share of the wastewater treatment facilities from the Contract Tax, which is paid to the Master District. The wastewater treatment plant is operated and maintained by the City per the Utility Agreement. See "THE DISTRICT—Utility Agreement with the City." The current wastewater treatment capacity of the Master District's Wastewater Treatment Facilities will serve 8,928 ESFCs of which 929 ESFCs are allocated to the District. According to the District's Engineer, the Master District has reserved capacity for 7,763 ESFCs and approximately 7,303 active ESFCs are being served by the Wastewater Treatment Facilities as of May 8, 2024.

Major Water Distribution and Wastewater Collection: Major water distribution facilities consist of waterlines ranging in size from 12-inch to 24-inch, generally located within the rights-of-way. These water distribution facilities supply water from the Water Supply Facilities to the internal facilities constructed by or on behalf of each MUD Participant. The major wastewater collection facilities include sanitary sewer lines ranging in size from 10-inch to 36-inch generally located within the rights-of-way of collector roads, arterial roads and major thoroughfares. These collection lines collect waste from the internal facilities constructed by or on behalf of each MUD Participant and transport it to the Wastewater Treatment Facilities. These potable water distribution and wastewater collection lines are conveyed to the City for operation and maintenance in accordance with the Utility Agreement.

Master Drainage: The Master District also provides the Service Area with drainage facilities designed for a 100-year storm event. These facilities include drainage channel facilities, detention pond facilities, water quality ponds, and conveyance storm sewer lines. Conveyance storm sewer lines are conveyed to the City for operation and maintenance in accordance with the Utility Agreement. Drainage channels, detention ponds, and water quality ponds are not conveyed to the City and the Master District is responsible for operation and maintenance thereof.

Road System: The Master District has constructed Master District Road Facilities. To date, the City has accepted the Master District Road Facilities for operation and maintenance. In the event the City were to fail to accept the Master District Road Facilities, the Master District is expected to include the cost of maintenance of same in the Master District's operation and maintenance expenses to be shared by all MUD Participants based on the number of equivalent single-family connections reserved by each MUD Participant, and such cost could be significant.

Master Park Facilities: The Master District has constructed Master District Park Facilities. The Master District will be responsible for the cost of operation and maintenance of same, which costs are shared by all MUD Participants based on the number of equivalent single-family connections reserved by each MUD Participant.

Internal Water Distribution, Wastewater Collection and Storm Drainage Facilities

Internal water distribution, wastewater collection and storm drainage facilities have been constructed in the District to serve 717 single-family residential lots, 348 apartment units and an approximately 15 acre school site. Additionally, internal water distribution, wastewater collection and storm drainage facilities are currently under construction to serve a multi-family apartment complex on approximately 12 acres in the District. See "THE DISTRICT—Land Use."

Each MUD Participant, including the District, will construct the internal water distribution, wastewater collection and storm drainage lines within its respective boundaries and upon acquisition and completion, each respective MUD Participant will transfer ownership of the internal water distribution, wastewater collection and storm drainage lines to the City for operation and maintenance. The internal facilities will be financed with unlimited tax bonds sold by each MUD Participant.

Storm Water Drainage Facilities and Flood Plain

Undeveloped land in the District drains naturally by way of overland sheet flow to Flewellen Creek. Internal storm-water collection lines are constructed for drainage system improvements to serve the District's development as each subdivision is developed. The District's storm drainage collection system consists of curbs and gutters with inlets and reinforced concrete storm sewers. This storm sewer system serves the entire District's drainage area and conveys flows to several storm water detention basins owned and maintained by the Master District. The detention basins ultimately drain to Flewellen Creek.

"Flood Insurance Rate Map" or "FIRM" means an official map of a community on which the Federal Emergency Management Agency (FEMA) has delineated the appropriate areas of flood hazards. The 1% chance of probable inundation, also known as the 100-year flood plain, is depicted on these maps. The "100-year flood plain" (or 1% chance of probable inundation) as shown on the FIRM is the estimated geographical area that would be flooded by a rain storm of such intensity to statistically have a one percent chance of occurring in any given year. Generally speaking, homes must be built above the 100-year flood plain in order to meet local regulatory requirements and to be eligible for federal flood insurance. An engineering or regulatory determination that an area is above the 100-year flood plain is not an assurance that homes built in such area will not be flooded, and a number of neighborhoods in the greater Houston area that are above the 100-year flood plain have flooded multiple times in the last several years. According to the Engineer, no areas in the District are located within the 100-year flood plain. See "RISK FACTORS—Extreme Weather Events."

Atlas 14

In 2018, the National Weather Service completed a rainfall study known as NOAA Atlas 14, Volume 11 Precipitation Frequency Atlas of the United States ("Atlas 14"). Floodplain boundaries within the District may be redrawn based on the Atlas 14 study based on a higher statistical rainfall amount, resulting in the application of more stringent floodplain regulations applying to a larger area. The application of such regulations could additionally result in higher insurance rates, increased development fees, and stricter building codes for any property located within the expanded boundaries of the floodplain.

Subsidence and Conversion to Surface Water Supply

The District is within the boundaries of the Fort Bend Subsidence District (the "Subsidence District"), which regulates groundwater withdrawal. The City's authority to pump groundwater from water wells conveyed to the City by the Master District is subject to an annual permit issued by the Subsidence District. The Subsidence District has adopted regulations requiring reduction of groundwater withdrawals through conversion to alternate source water (e.g., surface water) in certain areas within the Subsidence District's jurisdiction, including the area within the Service Area. In 2005, the Texas legislature created the North Fort Bend Water Authority (the "Authority") to, among other things, reduce groundwater usage in, and to provide surface water to, the northern portion of Fort Bend County (including the District) and a small portion of Harris County. The Authority has entered into a Water Supply Contract with the City of Houston, Texas ("Houston") to obtain treated surface water from Houston. The Authority has developed a groundwater reduction plan ("GRP") and obtained Subsidence District approval of its GRP. The Authority's GRP sets forth the Authority's plan to comply with Subsidence District regulations, construct surface water facilities, and convert users from groundwater to alternate source water (e.g., surface water). The water wells conveyed by the Master District to the City are included within the Authority's GRP.

The Authority, among other powers, has the power to: (i) issue debt supported by the revenues pledged for the payment of its obligations; (ii) establish fees (including fees imposed on the City for groundwater pumped by the City), user fees, rates, charges and special assessments as necessary to accomplish its purposes; and (iii) mandate water users, including the City, to convert from groundwater to surface water. The Authority currently charges the City, and other major groundwater users, a fee per 1,000 gallons based on the amount of groundwater pumped by the City and a fee per 1,000 gallons of surface water received from the Authority, if any. The Authority has issued revenue bonds to fund, among other things, Authority surface water project costs. It is expected that the Authority will continue to issue a substantial amount of bonds by the year 2027 to finance the Authority's project costs, and it is expected that the fees charged by the Authority will increase substantially over such period.

Under the Subsidence District regulations and the GRP, the Authority is required to: (i) limit groundwater withdrawals to no more than 70% of the total annual water demand of the water users within the Authority's GRP, beginning in the year 2014; and (ii) limit groundwater withdrawals to no more than 40% of the total annual water demand of the water users within the Authority's GRP, beginning in the year 2025. If the Authority fails to comply with the above Subsidence District regulations, the Authority is subject to a disincentive fee penalty ("Disincentive Fees"), imposed by the Subsidence District for any groundwater withdrawn in excess of 40% of the total annual water demand in the Authority's GRP. In the event of such Authority failure to comply, the Subsidence District may also seek to collect Disincentive Fees from the City. If the City failed to comply with surface water conversion requirements mandated by the Authority, the Authority would likely impose monetary or other penalties against the City.

The District cannot predict the amount or level of fees and charges, which may be due the Authority in the future, but anticipates that the City will pass such fees through to City customers (including customers within the District's Boundaries). In addition, conversion to surface water could necessitate improvements to the water system conveyed to the City which could require the issuance of additional Water/Sewer/Drainage Contract Revenue Bonds by the Master District. No representation is made that the Authority: (i) will build the necessary facilities to meet the requirements of the Subsidence District for conversion to surface water, (ii) will comply with the Subsidence District's surface water conversion requirements, or (iii) will comply with its GRP.

Regulation

Construction and operation of the District Facilities and the Master District Facilities as it now exists or as it may be expanded from time to time is subject to regulatory jurisdiction of federal, state and local authorities. The TCEQ exercises continuing, supervisory authority over the District and the Master District. Discharge of treated sewage into Texas waters, if any, is also subject to the regulatory authority of the TCEQ and the United States Environmental Protection Agency. Construction of drainage facilities is subject to the regulatory authority of the Fort Bend County Drainage District. Fort Bend County and the City also exercise regulatory jurisdiction over the Master District Facilities.

According to the Engineer, the improvements that will be financed with proceeds of the Bonds have been designed and the corresponding plans prepared in accordance with accepted engineering practices and specifications and the approval and permitting requirements of the TCEQ, the Texas Department of Health, Fort Bend County and the City, where applicable.

THE ROAD SYSTEM

The Master District, in its capacity as the provider of the facilities for regional arterial, collector and thoroughfares and improvements in aid thereof ("Master District Road Facilities") necessary to serve the Service Area, has constructed or will construct the Master District Road Facilities. In addition to the Master District Road Facilities, internal roadways have been or are being constructed by the MUD Participants, including the District. Proceeds of the Bonds will be used to reimburse the Developers for financing and construction of the roads as shown under "USE AND DISTRIBUTION OF BOND PROCEEDS."

All roadways are designed and constructed in accordance with Fort Bend County and City standards, rules and regulations. To date, the City has accepted the completed Master District Road Facilities for operation and maintenance and is responsible for operation and maintenance thereof. In the event the City were to fail to accept the Master District Road Facilities, the Master District is expected to include the cost of maintenance of same in the Master District's operation and maintenance expenses to be shared by the MUD Participants in accordance with the Master District Contract, and such cost could be significant. These roads lie within the public right-of-way. In addition to the roadway, public utilities such as underground water, sewer, and drainage facilities are located within the right-of-way. The right-of-way is also shared by streetlights, sidewalks and franchise utilities (power, gas, telephone and cable).

In addition to the Master District Road Facilities, internal roadways have been or are being constructed by the MUD Participants, including the District. The internal roadways constructed by the District are designed and constructed in accordance with Fort Bend County and City standards, rules and regulations. To date, the City has accepted the District's completed road facilities for operation and maintenance and is responsible for operation and maintenance thereof. In the event that the City were to fail to accept the District's road facilities, the District is expected to include the cost of maintenance of same in the District's operation and maintenance expenses, and such cost could be significant. These roads lie within the public right-of-way. In addition to the roadway, public utilities such as underground water, sewer, and drainage facilities are located within the right-of-way. The right-of-way is also shared by streetlights, sidewalks and franchise utilities (power, gas, telephone and cable).

DISTRICT OPERATIONS

General

The Bonds and the Outstanding Bonds are payable from the levy of an ad valorem tax, without legal limitation as to rate or amount, upon all taxable property in the District. Net revenues, if any, derived from the District's operations are not pledged to the payment of the Bonds and the Outstanding Bonds but are available for any lawful purpose including payment of debt service on the Bonds, at the discretion and upon action of the Board. It is not anticipated that any revenues will be available for the payment of debt service on the Bonds and the Outstanding Bonds. Since the District conveys its water, sewer, and drainage facilities to the City, it is anticipated that District maintenance tax proceeds will be the sole source of revenue available to the District to pay for District operations.

General Fund Statement

The following statement sets forth in condensed form the General Operating Fund as shown in the District's audited financial statements for the fiscal years ended September 30, 2020 through 2023 and an unaudited summary for the eight-month period ended May 31, 2024 provided by the Bookkeeper. Accounting principles customarily employed in the determination of net revenues have been observed and in all instances exclude depreciation. Reference is made to "APPENDIX A" for further and complete information.

	10/1/2023 to 5/31/2024 (a)	Fiscal Year Ended September 30			
		2023	2022	2021	2020
Revenues					
Property Taxes	$ 890,000	$ 114,664	$ 47,463	$ 41,939	$ 32,485
Investment Revenues	653	162	25	4	10
Total Revenues	$ 890,653	$ 114,826	$ 47,488	$ 41,943	$ 32,495
Expenditures					
Professional Fees	$ 40,060	$ 73,481	$ 48,237	$ 44,331	$ 35,992
Contracted Services	12,425	18,100	7,710	5,835	5,955
Master District Fees	185,670	155,520	38,880	-	-
Administrative	10,439	13,119	5,066	13,186	13,595
Other	200	10,000	-	-	-
Total Expenditures	$ 248,794	$ 270,220	$ 99,893	$ 63,352	$ 55,542
Net Revenues	$ 641,859	$ (155,394)	$ (52,405)	$ (21,409)	$ (23,047)
Other Financing Sources/(Uses)					
Developer Advances (b)	$ 70,000	$ 151,000	$ 90,000	$ 35,000	$ 20,000
Internal Transfers	-	11,662	(15,706)	-	-
Fund Balance					
Beginning of Period	$ 34,434	$ 27,166	$ 5,277	$ (8,314)	$ (5,267)
Fund Balance					
End of Period	$ 746,293	$ 34,434	$ 27,166	$ 5,277	$ (8,314)

(a) Unaudited. Provided by the Bookkeeper.
(b) See "RISK FACTORS—Operating Funds."

FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)

2023 Certified Taxable Assessed Valuation	$115,975,577	(a)
2024 Preliminary Taxable Assessed Valuation	$309,374,397	(b)
Gross Direct Debt Outstanding	$12,470,000	(c)
Estimated Overlapping Debt	19,921,751	(d)
Gross Direct Debt and Estimated Overlapping Debt	$32,391,751	
Ratios of Gross Direct Debt to:		
2023 Certified Taxable Assessed Valuation	10.75%	
2024 Preliminary Taxable Assessed Valuation	4.03%	
Ratios of Gross Direct Debt and Estimated Overlapping Debt to:		
2023 Certified Taxable Assessed Valuation	27.93%	
2024 Preliminary Taxable Assessed Valuation	10.47%	
Operating Fund Balance as of June 3, 2024	$698,821	(e)
Capital Projects Fund Balance as of June 3, 2024	$309,288	
Contract Tax Fund Balance as of June 3, 2024	$365,915	
Funds Available for Debt Service:		
Water, Sewer and Drainage Debt Service Fund Balance as of June 3, 2024	$346,950	(f)
Capitalized Interest from proceeds of the Bonds (Roads) (Twelve (12) Months)	318,769	(f)(g)
Total Funds Available for Debt Service	$665,719	

(a) As certified by the Appraisal District. See "TAXING PROCEDURES."
(b) Provided by the Appraisal District as a preliminary indication of the 2024 taxable assessed value (as of January 1, 2024). Such amount is subject to review and downward adjustment prior to certification. No tax will be levied on such amount until it is certified. See "TAXING PROCEDURES."
(c) Includes the Outstanding Bonds and the Bonds. See "—Outstanding Bonds."
(d) See "—Estimated Overlapping Debt."
(e) See "RISK FACTORS—Operating Funds."
(f) Funds in the Water, Sewer and Drainage Debt Service Fund are available to pay debt service on the Water, Sewer and Drainage Bonds and are not available to pay debt service on the Road Bonds, including the Bonds. Funds in the Road Debt Service Fund are available to pay debt service on the Road Bonds, including the Bonds, and are not available to pay debt service on the Water, Sewer and Drainage Bonds. See "THE BONDS—Funds."
(g) The District will capitalize twelve (12) months of interest from Bond proceeds. See "USE AND DISTRIBUTION OF BOND PROCEEDS."

Outstanding Bonds

The District has previously issued one series of unlimited tax bonds for water, sewer and drainage facilities in the principal amount of $5,300,000, all of which remains outstanding (the "Outstanding Bonds").

District Investment Policy

The policy of the District is to invest District funds only in instruments which further the following investment objectives of the District stated in order of importance: (1) preservation and safety of principal; (2) liquidity; and (3) yield. The District does not currently own, nor does it anticipate the inclusion of, long term securities or derivative products in the District portfolio.

Estimated Overlapping Debt

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

Taxing Jurisdiction	Outstanding Bonds	As of	Overlapping Percent	Overlapping Amount
Fort Bend County	$ 876,570,455	5/31/2024	0.10%	$ 876,570
Fort Bend County Drainage District	22,655,000	5/31/2024	0.10%	22,655
City of Fulshear	36,380,000	5/31/2024	2.90%	1,055,020
Lamar Consolidated Independent School District	2,800,355,000	5/31/2024	0.41%	11,481,456
The Master District	177,700,000	5/31/2024	3.65%	6,486,050
Total Estimated Overlapping Debt				$ 19,921,751
The District	12,470,000 (a)	Current	100.00%	12,470,000
Total Direct and Estimated Overlapping Debt				$ 32,391,751
Direct and Estimated Overlapping Debt as a Percentage of:				
2023 Certified Taxable Assessed Valuation of $115,975,577				27.93%
2024 Preliminary Taxable Assessed Valuation of $309,374,397				10.47%

(a) Includes the Bonds and the Outstanding Bonds.

Overlapping Taxes

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

Set forth below is a summary of taxes levied for the 2023 tax year by all entities overlapping the District and District's 2023 tax rate. No recognition is given to local assessments for civic association dues, fire department contributions, solid waste disposal charges or any other levy of entities other than political subdivisions.

	Tax Rate per $100 Assessed Valuation
Fort Bend County (a)	$ 0.438900
Fort Bend County ESD No. 4	0.095673
City of Fulshear	0.168767
Lamar Consolidated ISD	1.149200
The District (b)	1.338380
Total Overlapping Tax Rate	$ 3.190920

(a) Includes Fort Bend County Drainage District.
(b) See "TAX DATA—Historical Tax Rate Distribution."

DEBT SERVICE REQUIREMENTS

The following sets forth the debt service on the Outstanding Bonds and the Bonds. This schedule does not reflect that the District will capitalize twelve (12) months of interest from Bond proceeds. See "USE AND DISTRIBUTION OF BOND PROCEEDS."

Year	Outstanding Bonds Debt Service Requirements	Plus: Debt Service on the Bonds Principal	Interest	Total	Total Debt Service Requirements
2024	$ 149,764				$ 149,764
2025	229,425		$ 394,034	$ 394,034	623,459
2026	331,013		318,769	318,769	649,781
2027	329,025	$ 240,000	311,569	551,569	880,594
2028	326,713	315,000	294,919	609,919	936,631
2029	328,913	315,000	276,019	591,019	919,931
2030	325,625	315,000	257,119	572,119	897,744
2031	327,200	315,000	239,006	554,006	881,206
2032	330,000	315,000	224,044	539,044	869,044
2033	328,900	315,000	211,444	526,444	855,344
2034	332,500	315,000	198,844	513,844	846,344
2035	335,700	315,000	186,244	501,244	836,944
2036	338,500	315,000	173,644	488,644	827,144
2037	345,800	315,000	161,044	476,044	821,844
2038	347,600	315,000	148,444	463,444	811,044
2039	353,900	315,000	135,844	450,844	804,744
2040	354,700	315,000	123,244	438,244	792,944
2041	360,000	315,000	110,644	425,644	785,644
2042	364,700	315,000	98,044	413,044	777,744
2043	368,800	315,000	85,444	400,444	769,244
2044	377,200	315,000	72,647	387,647	764,847
2045	379,900	315,000	59,653	374,653	754,553
2046	386,900	315,000	46,659	361,659	748,559
2047	393,100	315,000	33,469	348,469	741,569
2048	398,500	315,000	20,081	335,081	733,581
2049	408,000	315,000	6,694	321,694	729,694
Total	$ 8,852,376	$ 7,170,000	$ 4,187,562	$11,357,562	$ 20,209,938

Maximum Annual Debt Service Requirement (2028) $936,631
Average Annual Debt Service Requirements (2025-2049) $802,407

TAX DATA

Debt Service Tax

The Board covenants in the Bond Resolution to levy and assess, for each year that all or any part of the Bonds remain outstanding and unpaid, a tax adequate to provide funds to pay the principal of and interest on the Bonds. The District expects to levy its initial debt service tax in 2024. See "—Historical Tax Rate Distribution" below, "—Tax Roll Information" herein, "TAXING PROCEDURES" and "RISK FACTORS—Maximum Impact on District Tax Rate."

Contract Tax

The Master District has the authority to issue Contract Revenue Bonds pursuant to the Master District Contract, which was approved by the District's voters. The pro rata share of the annual debt service requirements on the Contract Revenue Bonds for each MUD Participant, including the District, is determined annually by dividing each MUD Participant's gross certified assessed value by the total of all of the MUD Participants' gross certified assessed valuation. The Master District Contract obligates each MUD Participant to pay its pro rata share of annual debt service requirements on the Contract Revenue Bonds from the proceeds of an annual unlimited Contract Tax, from revenues, if any, derived from the operation of its water distribution and wastewater collection system, or from any other legally available funds. Since the water distribution and wastewater collection systems of each MUD Participant, including the District, are expected to be conveyed to the City, it is not expected that the MUD Participants will have any revenues from such systems and it is expected that all of such system revenues will belong to the City. The debt service requirement shall include principal, interest and redemption requirements on the Contract Revenue Bonds, paying agent/registrar fees, and all amounts necessary to establish and maintain funds established under the resolution(s) or indenture(s) of trust pursuant to which the Master District's Contract Revenue Bonds are issued.

Maintenance and Operations Tax

The Board has the statutory authority to levy and collect an annual ad valorem tax for the operation and maintenance of the District's improvements, if such a maintenance tax is authorized by the District's voters. A maintenance tax election was conducted November 6, 2007 and November 4, 2008, and voters of the District authorized, among other things, the Board to levy a maintenance tax at a rate not to exceed $1.50 per $100 appraised valuation for maintenance and operation of water, sewer, drainage and park/recreational facilities and $0.25 for maintenance and operation of road facilities. A maintenance tax is in addition to taxes which the District is authorized to levy for paying principal of and interest on the Bonds and in addition to the Contract Tax. See "—Debt Service Tax," "—Contract Tax" above and "—Historical Tax Rate Distribution" below.

Historical Tax Rate Distribution

	2023	2022	2021	2020	2019
Debt Service (a)	$ -	$ -	$ -	$ -	$ -
Contract (b)	0.52000	0.65000	0.69500	0.67500	0.68500
Maintenance and Operations	0.81838	0.68838	0.64338	0.66338	0.65338
Total	$ 1.33838	$ 1.33838	$ 1.33838	$ 1.33838	$ 1.33838

(a) The District expects to levy its initial debt service tax in 2024.
(b) See "—Contract Tax" above.

Additional Penalties

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

Historical Tax Collections

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

Tax Year	Certified Taxable Assessed Valuation	Tax Rate	Total Tax Levy	Total Collections as of May 31, 2024 (a) Amount	Percent
2019	$ 7,384,220	$1.33838	$ 98,829	$ 98,829	100.00%
2020	7,392,264	1.33838	98,937	98,937	100.00%
2021	7,377,200	1.33838	98,735	98,735	100.00%
2022	16,699,060	1.33838	223,497	223,497	100.00%
2023	115,975,577	1.33838	1,552,194	1,516,226	97.68%

(a) Unaudited.

Tax Roll Information

The District's assessed value as of January 1 of each year is used by the District in establishing its tax rate. See "TAXING PROCEDURES—Valuation of Property for Taxation." The following represents the composition of property comprising the 2020 through 2023 Certified Taxable Assessed Valuations and the 2024 Preliminary Taxable Assessed Valuation, which is still under review and subject to adjustments and corrections. Taxes are levied on taxable value certified by the Appraisal District as of January 1 of each year.

	2024 (a)	2023	2022	2021	2020
Land	$ 63,374,062	$ 27,564,829	$ 17,500,010	$ 7,831,900	$ 7,862,670
Improvements	288,559,975	90,137,153	-	11,400	13,250
Personal Property	913,906	473,898	-	-	-
Exemptions	(43,473,546)	(2,200,303)	(800,950)	(466,100)	(483,656)
Total	$ 309,374,397	$ 115,975,577	$ 16,699,060	$ 7,377,200	$ 7,392,264

(a) Provided by the Appraisal District as a preliminary indication of the 2024 taxable assessed value (as of January 1, 2024). Such amount is subject to review and downward adjustment prior to certification. No tax will be levied on such amount until it is certified. See "TAXING PROCEDURES."

Principal Taxpayers

The following table represents the ten principal taxpayers, the taxable appraised value of such property and such property's taxable assessed valuation as a percentage of the 2023 Certified Taxable Assessed Valuation of $115,975,577. An accurate principal taxpayer list related to the 2024 Preliminary Taxable Assessed Valuation of $309,374,397, which is still under review and subject to adjustments and corrections, is not available as of the date hereof.

Taxpayer	Type of Property	2023 Certified Taxable Assessed Valuation	% of 2023 Certified Tax Roll
Broadstone Cross Creek Owner LP (a)	Land & Improvements	$26,288,368	22.67%
Tri Pointe Homes Texas Inc. (b)	Land	5,464,691	4.71%
Newmark Homes Houston LLC (b)	Land	2,595,969	2.24%
Perry Homes LLC (b)	Land	2,375,388	2.05%
CCR Loan Subsidiary 1 LP (c)	Land	2,133,836	1.84%
Individual	Land & Improvements	1,248,315	1.08%
Individual	Land & Improvements	804,733	0.69%
Individual	Land & Improvements	800,740	0.69%
Individual	Land & Improvements	726,911	0.63%
Individual	Land & Improvements	715,575	0.62%
		$ 43,154,526	37.21%

(a) See "THE DISTRICT—Status of Development."
(b) See "THE DISTRICT—Homebuilding."
(c) See "THE DEVELOPERS."

Tax Adequacy for Debt Service

The tax rate calculations set forth below are presented to indicate the tax rates per $100 appraised valuation which would be required to meet average annual and maximum debt service requirements if no growth in the District's tax base occurred beyond the 2023 Certified Taxable Assessed Valuation of $115,975,577 or the 2024 Preliminary Taxable Assessed Valuation of $309,374,397, which is still under review and subject to adjustments and corrections. The calculations contained in the following table merely represent the tax rates required to pay principal of and interest on the Bonds and the Outstanding Bonds when due, assuming no further increase or any decrease in taxable values in the District, collection of ninety-five percent (95%) of taxes levied, the sale of no additional bonds, and no other funds available for the payment of debt service. See "DEBT SERVICE REQUIREMENTS."

Average Annual Debt Service Requirement (2025-2049)	$802,407
$0.73 Tax Rate on 2023 Certified Taxable Assessed Valuation	$804,291
$0.28 Tax Rate on 2024 Preliminary Taxable Assessed Valuation	$822,936
Maximum Annual Debt Service Requirement (2028)	$936,631
$0.86 Tax Rate on 2023 Certified Taxable Assessed Valuation	$947,520
$0.32 Tax Rate on 2024 Preliminary Taxable Assessed Valuation	$940,498

The Annual Payment (currently in the approximate amount of $0.06251 per $100 of assessed value) is not included in the calculations set forth above. See "THE DISTRICT—Utility Agreement with the City—*Annual Payment*." No representation or suggestion is made that the 2024 Preliminary Taxable Assessed Valuation provided by the Appraisal District for the District will be certified as taxable value by the Appraisal District, and no person should rely upon such amounts or their inclusion herein as assurance of their attainment. See "TAXING PROCEDURES."

TAXING PROCEDURES

Authority to Levy Taxes

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

Property Tax Code and County-Wide Appraisal District

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

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

Property Subject to Taxation by the District

Except for certain exemptions provided by Texas law, all real property, tangible personal property held or used for the production of income, mobile homes and certain categories of intangible personal property with a tax situs in the District are subject to taxation by the District. Principal categories of exempt property include, but are not limited to: property owned by the State of Texas or its political subdivisions if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies, and personal effects; certain goods, wares and merchandise in transit; farm products owned by the producer; certain property of charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; travel trailers; and most individually owned automobiles. In addition, the District may by its own action exempt residential homesteads of persons sixty-five (65) years or older and of certain disabled persons to the extent deemed advisable by the Board. The District may be required to offer such an exemption if a majority of voters approves it at an election. The District would be required to call such 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 certain surviving dependents of disabled veterans, if requested, of between $5,000 and $12,000 depending on the disability rating of the veteran. A veteran who receives a disability rating of 100% is entitled to an exemption for the full amount of the veteran's residence homestead. Additionally, subject to certain conditions, the surviving spouse of a disabled veteran who was entitled to an exemption for the full value of the veteran's residence homestead is also entitled to an exemption from taxation of the total appraised value of the same property to which the disabled veteran's exemption applied. A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran's disability rating if the residence homestead was donated by a charitable organization. Also, the surviving spouse of a member of the armed forces who was killed or fatally injured in the line of duty is, subject to certain conditions, entitled to a total tax exemption on such surviving spouse's residence homestead. If the surviving spouse changes homesteads, but does not remarry, then the amount of the exemption as of the last year of the first qualifying residential homestead is applicable to the subsequent homesteads. The surviving spouse of a first responder who was killed or fatally injured in the line of duty is, subject to certain conditions, also entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and, subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse. See "TAX DATA."

Residential Homestead Exemptions: The Property Tax Code authorizes the governing body of each political subdivision in the State of Texas to exempt up to twenty percent (20%) of the appraised value of residential homesteads from ad valorem taxation. Where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged, if the cessation of the levy would impair the obligations of the contract by which the debt was created. The adoption of a homestead exemption may be considered each year but must be adopted before July 1. See "TAX DATA."

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

Tax Abatement

Fort Bend County or the City may designate all or part of the area within the District as a reinvestment zone. Thereafter, Fort Bend County, the City and the District, at the option and discretion of each entity, may enter into tax abatement agreements with owners of property within the zone. Prior to entering into a tax abatement agreement, each entity must adopt guidelines and criteria for establishing tax abatement, which each entity will follow in granting tax abatement to owners of property. The tax abatement agreements may exempt from ad valorem taxation by each of the applicable taxing jurisdictions, including the District, for a period of up to ten (10) years, all or any part of any increase in the appraised valuation of property covered by the agreement over its appraised valuation in the year in which the agreement is executed, on the condition that the property owner make specified improvements or repairs to the property in conformity with the terms of the tax abatement agreement. Each taxing jurisdiction has discretion to determine terms for its tax abatement agreements without regard to the terms approved by the other taxing jurisdictions.

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. Generally, 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. In determining market value, either the replacement cost or the income or the market data method of valuation may be used, whichever is appropriate. Nevertheless, certain land may be appraised at less than market value under the Property Tax Code. Increases in the appraised value of residence homesteads are limited by the Texas Constitution to 10 percent annually regardless of the market value of the property.

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

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

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

District and Taxpayer Remedies

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

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

Levy and Collection of Taxes

The District is responsible for the levy and collection of its taxes unless it elects to transfer such functions to another governmental entity. The rate of taxation is set by the Board of Directors, after the legally required notice has been given to owners of property within the District, based upon: a) the valuation of property within the District as of the preceding January 1, and b) the amount required to be raised for debt service, maintenance purposes, and authorized contractual obligations. Taxes are due October 1, or when billed, whichever comes later, and become delinquent if not paid before February 1 of the year following the year in which imposed, except as set forth herein with respect to residential homesteads. 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. For those taxes billed at a later date and that become delinquent on or after June 1, they will also incur an additional penalty for collection costs of an amount established by the District and a delinquent tax attorney. The delinquent tax accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code makes provisions for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes under certain circumstances which, at the option of the District, may be rejected. 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 in writing 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 equal 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 continues to accrue during the period of deferral.

Tax Payment Installments After Disaster

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

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

Rollback of Operation and Maintenance Tax Rate

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

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

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

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

The District: A determination as to a district's status as a Special Taxing Unit, Developed District or Developing District will be made by the Board of Directors on an annual basis. The District was designated as a "Developing District" for the 2023 tax year. The District cannot give any assurances as to what its classification will be at any point in time or whether the District's future tax rates will result in a total tax rate that will reclassify the District into a new classification and new election calculation.

District's Rights in the Event of Tax Delinquencies

Taxes levied by the District are a personal obligation of the owner of the property as of January 1 of the year for which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all state and local taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of the State of Texas and each local taxing unit, including the District, having power to tax the property. The District's tax lien is on a parity with tax liens of such other taxing units. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Estimated Overlapping Debt" and "—Overlapping Taxes." A tax lien on real property takes priority over the claim of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien; however, whether a lien of the United States is on a parity with or takes priority over a tax lien of the District is determined by applicable federal law. Personal property under certain circumstances is subject to seizure and sale for the payment of delinquent taxes, penalty, and interest.

At any time after taxes on property become delinquent, the District may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both, subject to the restrictions on residential homesteads described above under "—Levy and Collection of Taxes." In filing a suit to foreclose a tax lien on real property, the District must join other taxing units that have claims for delinquent taxes against all or part of the same property. Collection of delinquent taxes may be adversely affected by the cost of suit and sale, by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, by taxpayer redemption rights (a taxpayer may redeem property within six (6) months for commercial property and two (2) years for residential and all other types of property after the purchaser's deed issued at the foreclosure sale is filed in the county records) or by bankruptcy proceedings which restrict the collection of taxpayer debts. The District's ability to foreclose its tax lien or collect penalties or interest on delinquent taxes may be limited on property owned by a financial institution which is under receivership by the Federal Deposit Insurance Corporation pursuant to the Federal Deposit Insurance Act, 12 U.S.C. 1825, as amended. See "RISK FACTORS—Tax Collection Limitations."

RISK FACTORS

General

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

Dependence on Major Taxpayers

The ten principal taxpayers represent $43,154,526 or approximately 37.21% of the 2023 Certified Taxable Assessed Valuation of $115,975,577 which represents ownership as of January 1, 2023. See "THE DISTRICT—Status of Development" and "TAX DATA—Principal Taxpayers." If a principal taxpayer were to default in the payment of taxes in an amount which exceeds the balance in the District's Debt Service Fund, the ability of the District to make timely payment of debt service on the Bonds would be dependent on the ability of the District to enforce and liquidate its tax lien, which is a time-consuming process. Failure to recover or borrow funds in a timely fashion could result in the District being forced to set an excessive tax rate, hindering growth and leading to further defaults in the payment of taxes. The District is not required by law or the Bond Resolution to maintain any specified amount of surplus in its Debt Service Fund. See "—Tax Collections Limitations and Foreclosure Remedies" herein and "TAXING PROCEDURES—Levy and Collection of Taxes."

Overlapping Debt and Taxes

By execution of the Master District Contract, the District, in its capacity as a participant district, MUD 170, MUD 171, MUD 172, and MUD 173 are each obligated to pay a pro rata share of annual debt service on the Contract Revenue Bonds based upon the certified gross assessed valuation of each of the MUD Participants. See "TAX DATA—Contract Tax" and "—Historical Tax Rate Distribution."

The Master District is authorized pursuant to the Master District Contract to issue Contract Revenue Bonds in the principal amount of $483,000,000 for water, sewer and drainage facilities (the "Water/Sewer/Drainage Contract Revenue Bonds") (and for the purpose of refunding same) and in the principal amount of $121,450,000 for road facilities (the "Road Contract Revenue Bonds") (and for the purpose of refunding same). The Water/Sewer/Drainage Contract Revenue Bonds and the Road Contract Revenue Bonds are collectively referred to herein as the "Contract Revenue Bonds." Pursuant to the Master District Contract, approval by each MUD Participant and approval by the voters at an election held by each MUD Participant is required prior to any amendment to the Master District Contract that would increase such $483,000,000 authorized amount and/or such $121,450,000 authorized amount. The District, as a MUD Participant, is obligated to pay its pro rata share of annual debt service on the Contract Revenue Bonds from the proceeds of ad valorem taxes levied by the District for such purpose (the "Contract Tax") or from any other lawful source of District income. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Estimated Overlapping Debt" and "THE SYSTEM—The Master District." Out of such $483,000,000 authorization, the Master District has previously issued thirteen series of Contract Revenue Bonds (Water, Sewer and Drainage Facilities) in the aggregate principal amount of $144,610,000 and four series of Contract Revenue Refunding Bonds in the principal amount of $29,270,000. The Master District currently has $337,350,000 of Contract Revenue Bonds for water, sewer and drainage purpose (and for the purpose of refunding same) that it is authorized to issue pursuant to the Master District Contract. Out of such $121,450,000 authorization, the Master District has previously issued eight series of Contract Revenue Bonds (Road Facilities) in the aggregate principal amount of $75,360,000 and one series of Contract Revenue Refunding Bonds (Road Facilities) in the aggregate principal amount of $9,910,000. The Master District currently has $45,765,000 of Contract Revenue Bonds for road facilities (and for purposes of refunding same) that it is authorized to issue pursuant to the Master District Contract. To date, the developers in the Master District have been fully reimbursed for funds advanced to or for the benefit of the Master District for construction of Master District Facilities. The Master District has filed a bond application with the TCEQ requesting approval to sell approximately $4,000,000 principal amount of Contract Revenue Bonds and expects approval from the TCEQ and issuance of such bonds in the third quarter of 2024. Park bonds and reimbursements are issued by the MUD Participants and paid to the Master District to reimburse the Developers. MUD Participants are limited on bond issue size based on assessed value, which may limit the amount of reimbursement. See "THE BONDS—Financing Parks and Recreational Facilities."

Annual Payment from the City of Fulshear

The Utility Agreement provides that the City will pay the Annual Payment to the District on February 28th of each year until and including February 28, 2055, provided, however, the City will not be required to pay the Annual Payment to the District once the District no longer has debt service on the unlimited tax bonds issued to finance the water, wastewater and drainage facilities described below. The Utility Agreement provides that the Annual Payment shall be deposited by the District into a debt service fund and allocated only to the payment of debt service on unlimited tax bonds issued by the District to finance the District's internal water, wastewater and drainage facilities (except any detention ponds, drainage channels and non-potable water facilities). The Annual Payment may not be used to pay the District's contractual obligation to pay a portion of the debt service on Contract Revenue Bonds issued by the Master District to finance regional facilities. The Utility Agreement does not require the District to pledge the Annual Payment for payment of debt service on the District's unlimited tax bonds. Therefore, the Annual Payment is subject to modification by agreement of the District and the City. If the City fails to make the annual payment of the Annual Payment to the District in a timely manner, the District would likely need to increase its debt service tax rate.

Operating Funds

The District levied a 2023 total tax rate of $1.33838 per $100 of assessed valuation (consisting of a $0.52 Contract Tax and a $0.81838 maintenance and operations tax rate). The District expects to levy its initial debt service tax rate in 2024 and reduce the maintenance and operations tax rate proportionally. The District's unaudited Operating Fund balance at June 3, 2024 was $698,821. The District has depended on advances from the Developer and maintenance tax revenue to fund operations. Obtaining and maintaining a positive Operating Fund balance will depend upon one or more of the following: (1) continued development; (2) increased amounts of maintenance tax revenue; and (3) developer advances. In the event that funds are not made available by the Developer, the District could be required to levy a maintenance tax at a rate sufficient to fund its operating expenses. Such a tax, when added to the District's debt service tax, may result in a total District tax in excess of similar developments and could adversely affect continued development of the District, as well as the willingness of taxpayers to pay taxes on their property. See "FINANCIAL STATEMENT INFORMATION CONCERNING THE DISTRICT (UNAUDITED)."

Vacant Lots

As of May 22, 2024, there are 181 vacant developed lots in the District available for homebuilding. Failure of the builders to build taxable improvements on the developed lots could restrict the rate of growth of taxable values in the District. The District makes no representation as to when or if that the lot sales and building program will be successful. See "THE DISTRICT—Land Use" and "—Status of Development."

Landowner Obligation to the District

There are no commitments from or obligations of any Developers or other landowners to the District to proceed at any particular rate or according to any specified plan with the construction of improvements in the District, and there is no restriction on any landowner's right to sell its land. Failure to construct taxable improvements on developed lots or developed tracts of land could restrict the rate of growth of taxable values in the District. The District cannot and does not make any representations that over the life of the Bonds continued development of taxable property within the District will increase or maintain its taxable value.

Economic Factors and Interest Rates

A substantial percentage of the taxable value of the District results from the current market value of single-family residences and some multi-family development. The market value of such homes and developments is related to general economic conditions in the greater Houston Metropolitan region and the national economy and those conditions can affect the demand for residences. Demand for lots of this type thereon can be significantly affected by factors such as interest rates, credit availability, construction costs, energy availability and the prosperity and demographic characteristics of the urban center toward which the marketing of lots is directed. Decreased levels of construction activity would tend to restrict the growth of property values in the District or could adversely impact such values. See "—Credit Markets and Liquidity in the Financial Markets" below and "THE DISTRICT—Status of Development."

Credit Markets and Liquidity in the Financial Markets

Interest rates and the availability of mortgage and development funding have a direct impact on the construction activity, particularly short-term interest rates at which developers are able to obtain financing for development costs. Interest rate levels may affect the ability of a landowner with undeveloped property to undertake and complete construction activities within the District. Because of the numerous and changing factors affecting the availability of funds, particularly liquidity in the national credit markets, the District is unable to assess the future availability of such funds for continued construction within the District. In addition, since the District is located approximately 31 miles from the central downtown business district of the City of Houston, the success of development within the District and growth of District taxable property values are, to a great extent, a function of the Houston metropolitan and regional economies and national credit and financial markets. A downturn in the economic conditions of Houston and decline in the nation's real estate and financial markets could affect development and home-building plans in the District and restrain the growth of or reduce the District's property tax base.

Competition

The demand for and construction of single-family homes and multi-family development in the District, which is approximately 31 miles from the central downtown business district of the City of Houston, could be affected by competition from other developments including other residential developments located in the western portion of the Houston metropolitan area. In addition to competition for new home sales from other developments, there are numerous previously-owned homes in the area of the District and in more established neighborhoods closer to downtown Houston. Such homes could represent additional competition for new homes proposed to be sold within the District.

The competitive position of the Developers in the sale of developed lots 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. The District can give no assurance that building and marketing programs in the District by the Developers will be implemented or, if implemented, will be successful.

Maximum Impact on District Tax Rate

Assuming no further development, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of owners of property within the District to pay their taxes. The 2023 Certified Taxable Assessed Valuation is $115,975,577. After issuance of the Bonds, the maximum annual debt service requirement on the Outstanding Bonds and the Bonds will be $936,631 (2028) and the average annual debt service requirement on the Outstanding Bonds and the Bonds will be $802,407 (2025-2049 inclusive). Assuming no increase or decrease from the 2023 Certified Taxable Assessed Valuation, the issuance of no additional debt, and no other funds available for the payment of debt service, tax rates of $0.86 and $0.73 per $100 of assessed valuation at a ninety-five percent (95%) collection rate would be necessary to pay the maximum annual debt service requirement and average annual debt service requirement, respectively. The 2024 Preliminary Taxable Assessed Valuation is $309,374,397, which is still under review and subject to adjustments and corrections. Assuming no increase or decrease from the 2024 Preliminary Taxable Assessed Valuation, the issuance of no additional debt, and no other funds available for the payment of debt service, tax rates of $0.32 and $0.28 per $100 of assessed valuation at a ninety-five percent (95%) collection rate would be necessary to pay the maximum annual debt service requirement and average annual debt service requirement, respectively. See "DEBT SERVICE REQUIREMENTS." The Annual Payment to be received from the City is not included in the calculations set forth in this paragraph. See "THE DISTRICT—Utility Agreement with the City."

Although calculations have been made regarding the tax rate necessary to pay the maximum and average annual debt service on the Outstanding Bonds and the Bonds based upon the 2023 Certified Taxable Assessed Valuation or the 2024 Preliminary Taxable Assessed Valuation, the District can make no representations regarding the future level of assessed valuation within the District. See "TAXING PROCEDURES" and "TAX DATA—Tax Adequacy for Debt Service."

Potential Effects of Oil Price Volatility on the Houston Area

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

Extreme Weather Events

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

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

Specific Flood Type Risks

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

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

Environmental Regulations

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

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

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

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

The HGB Area is currently designated as a "severe" nonattainment area under the 2008 Ozone Standard, with an attainment deadline of July 20, 2027. If the EPA ultimately determines that the HGB Area has failed to meet the attainment deadline based on the relevant data, the area is subject to reclassification to a nonattainment classification that provides for more stringent controls on emissions from the industrial sector. In addition, the EPA may impose a moratorium on the awarding of federal highway construction grants and other federal grants for certain public works construction projects if it finds that an area fails to demonstrate progress in reducing ozone levels.

The HGB Area is currently designated as a "moderate" nonattainment area under the 2015 Ozone Standard, with an attainment deadline of August 3, 2024. For purposes of the 2015 Ozone Standard, the HGB Area consists of only six counties: Brazoria, Chambers, Fort Bend, Galveston, Harris, and Montgomery Counties.

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

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

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

Pursuant to the federal Safe Drinking Water Act ("SDWA") and the EPA's National Primary Drinking Water Regulations ("NPDWRs"), which are implemented by the TCEQ's Water Supply Division, a municipal utility district's provision of water for human consumption is subject to extensive regulation as a public water system. Municipal utility districts must generally provide treated water that meets the primary and secondary drinking water quality standards adopted by the TCEQ, the applicable disinfectant residual and inactivation standards, and the other regulatory action levels established under the agency's rules. The EPA has established NPDWRs for more than ninety (90) contaminants and has identified and listed other contaminants which may require national drinking water regulation in the future. Further, the EPA has established a NPDWR for six (6) Per- and Polyflouroalkyl Substances ("PFAS"), which requires public water systems to perform certain monitoring and remediation measures. Public water systems may be subject to additional PFAS regulation in the future, which could increase the cost of constructing, operating, and maintaining water production and distribution facilities.

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) ("CGP"), with an effective date of March 5, 2023, which is a general permit authorizing the discharge of stormwater runoff associated with small and large construction sites and certain non-stormwater discharges into surface water in the state. The CGP 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 Service Area is subject to 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. The Service Area as applied for coverage in the form of a waiver under the MS4 Permit and is awaiting final approval from the TCEQ. If the Service Area's waiver is denied, the Service Area could incur substantial costs to develop, implement, and maintain the necessary plans as well as to install or implement best practices to minimize or eliminate unauthorized pollutants that may otherwise be found in stormwater runoff in order to comply with the MS4 Permit.

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

In 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. Subsequently, the EPA and USACE issued a final rule amending the definition of "waters of the United States" under the CWA to conform with the Supreme Court's decision.

While the *Sackett* decision and subsequent regulatory action 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 District, could potentially be subject to additional restrictions and requirements, including additional permitting requirements, in the future.

Tax Collections Limitations and Foreclosure Remedies

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

Registered Owners' Remedies and Bankruptcy Limitations

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

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

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

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

A district may not be forced into bankruptcy involuntarily.

Future Debt

The District has the right to issue obligations other than the Bonds, including tax anticipation notes and bond anticipation notes, and to borrow for any valid corporate purpose. A total of $48,748,000 principal amount of unlimited tax bonds for purchasing or constructing internal water, sewer and drainage facilities and refunding of such bonds, $23,212,000 principal amount of unlimited tax bonds for purchasing or constructing parks and recreational facilities and refunding of such bonds, and $10,556,000 principal amount of unlimited tax bonds for purchasing or constructing road facilities and refunding of such bonds has been authorized by voters in the District. After issuance of the Bonds, $3,386,000 principal amount of unlimited tax bonds for purchasing or constructing road facilities and refunding of such bonds, all of the authorized bonds for purchasing or constructing parks and recreational facilities and refunding of such bonds and $43,448,000 of the authorized bonds for purchasing or constructing internal water, sewer and drainage facilities and refunding of such bonds will remain authorized but unissued. The District has filed a bond application with the TCEQ requesting approval to sell approximately $10,925,000 principal amount of unlimited tax bonds for water, sewer and drainage facilities and expects approval from the TCEQ and issuance of such bonds in the third quarter of 2024. In addition, voters may authorize the issuance of additional bonds secured by ad valorem taxes. The issuance of additional bonds or obligations may increase the District's tax rate and adversely affect the security for, and the investment quality and value of, the Bonds. After reimbursement with the proceeds of the Bonds and the Series 2024B Bonds, which are expected to be issued in the third quarter of 2024, the Developers will continue to be owed approximately $3,250,000 for financing the design, construction, engineering and acquisition of road facilities and $3,830,000 for financing the design, construction, engineering and acquisition of District water, sewer and drainage facilities.

The District does not employ any formula with respect to appraised valuations, tax collections or otherwise to limit the amount of parity bonds which it may issue. Any bonds issued by the District, however, must be approved by the Attorney General of Texas and the Board of the District and the issuance of additional bonds (except bonds for road facilities and refunding bonds) is subject to approval by the TCEQ pursuant to its rules regarding issuance and feasibility of bonds. Further, the outstanding principal amount of bonds, or other obligations, issued to finance parks and recreational facilities may not exceed one percent (1%) of the District's taxable value, the District meets certain financial feasibility requirements under the TCEQ rules, in which case the outstanding principal amount of such bonds issued by the District may exceed an amount equal to one percent (1%) but not three percent (3%) of the value of the taxable property in the District. In addition, future changes in health or environmental regulations could require the construction and financing of additional improvements without any corresponding increases in taxable value in the District. See "THE BONDS—Issuance of Additional Debt."

Issuance of additional bonds could dilute the investment security for the Bonds.

Marketability of the Bonds

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

Continuing Compliance with Certain Covenants

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

Changes in Tax Legislation

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

Risk Factors Related to the Purchase of Municipal Bond Insurance

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

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

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

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

LEGAL MATTERS

Legal Proceedings

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

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

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

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

No Material Adverse Change

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

No-Litigation Certificate

The District will furnish the Underwriter a certificate, executed by both the President or Vice President and Secretary or Assistant Secretary of the Board, and dated as of the Date of Delivery of the Bonds, to the effect that no litigation of any nature is pending or to its knowledge threatened, either in state or federal courts, contesting or attacking the Bonds; restraining or enjoining the levy, assessment and collection of ad valorem taxes to pay the interest or the principal of the Bonds; in any manner questioning the authority or proceedings for the issuance, execution or delivery of the Bonds; or affecting the validity of the Bonds or the title of the present officers of the District.

TAX MATTERS

In the opinion of Allen Boone Humphries Robinson LLP, Bond Counsel, under existing law, interest on the Bonds is excludable from gross income for federal income tax purposes and interest on the Bonds is not subject to the alternative minimum tax on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in section 59(k) of the Internal Revenue Code of 1986, as amended (the “Code”)) for the purpose of determining the alternative minimum tax imposed on corporations.

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

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

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

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

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

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

Tax Accounting Treatment of Original Issue Discount Bonds

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

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

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

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

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

Not Qualified Tax-Exempt Obligations

The Bonds have not been designated as “qualified tax-exempt obligations” within the meaning of Section 265(b) of the Internal Revenue Code of 1986.

MUNICIPAL BOND RATING

S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, (“S&P”) has assigned a municipal bond rating of “AA” (stable outlook) to the issue of Bonds with the understanding that upon delivery of the Bonds, a municipal bond insurance policy ensuring the timely payment of the principal of and interest on the Bonds will be issued by Assured Guaranty Municipal Corp. (“AGM” or the “Insurer”). No application has been made to a municipal rating company for an underlying rating on the Bonds, nor is it expected that the District would have received an investment grade rating if application had been made. See “RISK FACTORS—Risk Factors Related to the Purchase of Municipal Bond Insurance” and “MUNICIPAL BOND INSURANCE.”

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

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. In the event the Bonds are issued after the effectiveness of the Merger (as defined below), the Policy relating to the Bonds will be substantively identical to the form appended to this Official Statement, except that the Policy will be issued by AG (as defined below) in place of AGM. See “—Assured Guaranty Municipal Corp.—*Planned Merger of Assured Guaranty Municipal Corp. Into Assured Guaranty Inc.*”

The Policy is not covered by any insurance security or guaranty fund established under New York, Maryland, 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 certain of its investment management affiliates. Only AGM is obligated to pay claims under the insurance policies AGM has issued, and not AGL or any of its shareholders or other affiliates.

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.

Planned Merger of Assured Guaranty Municipal Corp. Into Assured Guaranty Inc.

On July 8, 2024, AGL (together with its subsidiaries, "Assured Guaranty") announced that AGM will merge with and into its affiliate, Assured Guaranty Inc. ("AG"), with AG as the surviving company (such transaction, the "Merger"). AG, a Maryland domiciled financial guaranty insurance company and an indirect subsidiary of AGL, was formerly known as Assured Guaranty Corp. The effective date of the Merger is expected to be on or about August 1, 2024.

The Merger is expected to expand the pool of capital available to support each new and existing insurance policy, result in a further diversification of the combined company's insured portfolio's credit profile, and strengthen Assured Guaranty's ability to continue successfully executing its strategies to achieve its business objectives. Upon the effectiveness of the Merger, the combined company, compared with either AGM or AG before the Merger, will have:

- a larger, highly diversified insured portfolio,
- a larger investment portfolio and a larger capital base, and
- more total claims-paying resources

Currently, AGM and AG have the same financial strength ratings from S&P (AA/Stable), Moody's (A1/Stable) and KBRA (AA+/Stable). AG's insurance financial strength ratings are expected to be unaffected by the Merger.

On July 9, 2024, S&P stated that the Merger will not change its assessment of the Assured Guaranty group's business risk or financial risk positions. On July 8, 2024, KBRA commented that, upon the expected August 1, 2024 closing of the Merger, AG's insurance financial strength rating of "AA+" (stable outlook) will remain unchanged.

Current Financial Strength Ratings

On May 28, 2024, S&P announced it had affirmed AGM's financial strength rating of "AA" (stable outlook).

On April 30, 2024, Moody's announced it had affirmed AGM's insurance financial strength rating of "A1" (stable outlook).

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 S&P, Moody's and/or KBRA 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, 2023.

Capitalization of AGM and Pro Forma Combined AG

As of March 31, 2024
(dollars in millions)

	AGM (Actual)	**AG** (Pro Forma Combined)
Policyholders' surplus	$2,665	$4,013
Contingency reserve	$892	$1,312
Net unearned premium reserves and net deferred ceding commission income[(a)]	$2,036	$2,385

(a) Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of AGM or pro forma combined AG, as applicable, and (ii) the net unearned premium reserves and net deferred ceding commissions of Assured Guaranty UK Limited ("AGUK") and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA ("AGE").

The policyholders' surplus of AGM (and pro forma combined AG) and the contingency reserves, net unearned premium reserves and net deferred ceding commission income of AGM (and pro forma combined AG) 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 Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2023 (filed by AGL with the SEC on February 28, 2024); and

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2024 (filed by AGL with the SEC on May 8, 2024).

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."

REGISTRATION AND QUALIFICATION UNDER SECURITIES LAWS

The offer and sale of the Bonds have not been registered or qualified under the Securities Act of 1933, as amended, in reliance upon the exemptions provided thereunder; the Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; and the Bonds have not been registered or qualified under the securities laws of any other jurisdiction.

The District assumes no responsibility for registration or qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

SALE AND DISTRIBUTION OF THE BONDS

After requesting competitive bids for the Bonds, the District accepted the bid resulting in the lowest net interest cost, which bid was rendered by SAMCO Capital Markets, Inc. (the "Underwriter") bearing the interest rates shown on the cover page of this Official Statement, at a price of 97.0102% of the principal amount thereof which resulted in a net effective interest rate of 4.432381% as calculated pursuant to Chapter 1204, Texas Government Code.

The delivery of the Bonds is conditional upon the receipt by the District of a certificate executed and delivered by the Underwriter on or before the Date of Delivery of the Bonds stating the prices at which a substantial amount of the Bonds of each maturity have been sold to the public. For this purpose, the term "public" shall not include any person who is a bond house, broker, or similar person acting in the capacity of Underwriter or wholesaler. Otherwise, the District has no understanding with the Underwriter regarding the reoffering yields or prices of the Bonds. Information concerning reoffering yields or prices is the responsibility of the Underwriter.

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

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

PREPARATION OF OFFICIAL STATEMENT

Sources and Compilation of Information

The financial data and other information contained in this Official Statement has been obtained primarily from the District's records, the Developers, the Engineer, the Tax Assessor/Collector, the Bookkeeper, 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 such sources, and its inclusion herein is not to be construed as a representation on the part of the District except as described under "—Certification of Official Statement." Furthermore, there is no guarantee that any of the assumptions or estimates contained herein will be realized. The summaries of the agreements, reports, statutes, resolutions, engineering and other related information set forth in this Official Statement are included herein subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents for further information.

Financial Advisor

Masterson Advisors LLC is employed as the Financial Advisor to the District to render certain professional services, including advising the District on a plan of financing and preparing the Official Statement, including the Official Notice of Sale and the Official Bid Form for the sale of the Bonds. In its capacity as Financial Advisor, Masterson Advisors LLC has compiled and edited this Official Statement. The Financial Advisor has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this official statement in accordance with, and as part of, its responsibilities to the District and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

Consultants

In approving this Official Statement, the District has relied upon the following consultants. Each consultant has consented to the use of information provided by such firms.

Tax Assessor/Collector: The information contained in this Official Statement relating to the historical breakdown of the District's assessed valuations and certain other historical data concerning tax rates and tax collections has been provided by Assessments of the Southwest, Inc. and is included herein in reliance upon the authority of such firm as an expert in assessing property values and collecting taxes.

Engineer: The information contained in this Official Statement relating to engineering and to the description of the water, sewer, and drainage system serving or provided by the District and Master District and certain information included in the sections entitled "THE DISTRICT—Description and Location," "—Status of Development," "THE SYSTEM" and "THE ROAD SYSTEM" has been provided by BGE, Inc., and has been included herein in reliance upon the authority of said firm as experts in the field of civil engineering.

Auditor: The District's financial statements for the year ended September 30, 2023, were audited by McGrath & Co., PLLC. See "APPENDIX A" for a copy of the District's September 30, 2023 financial statements.

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

Updating the Official Statement

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

Certification of Official Statement

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

CONTINUING DISCLOSURE OF INFORMATION

In the Bond Resolution, the District has made the following agreement for the benefit of the registered and beneficial owners of the Bonds. The District is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the District will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified events, to the Municipal Securities Rulemaking Board (the "MSRB"), or any successor to its functions as a repository through its Electronic Municipal Market Access ("EMMA") System.

Annual Reports

The District will provide certain financial information and operating data, annually to the MSRB through its EMMA system. The information to be updated with respect to the District includes all quantitative financial information and operating data of the general type included in this OFFICIAL STATEMENT under the headings "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)," except for "—Estimated Overlapping Debt" and "—Overlapping Taxes," "DISTRICT OPERATIONS," "DEBT SERVICE REQUIREMENTS," "TAX DATA" (most of which information is contained in the District's annual audited financial statement) and in "APPENDIX A" (Financial Statements of the District). The District will update and provide this information to the MSRB within six months after the end of each of its fiscal years ending in or after 2024.

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

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

Event Notices

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

Availability of Information from MSRB

The District has agreed to provide the foregoing information only to the MSRB. The MSRB makes the information available to the public without charge through the EMMA internet portal at www.emma.msrb.org.

Limitations and Amendments

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

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

Compliance With Prior Undertakings

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

MISCELLANEOUS

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

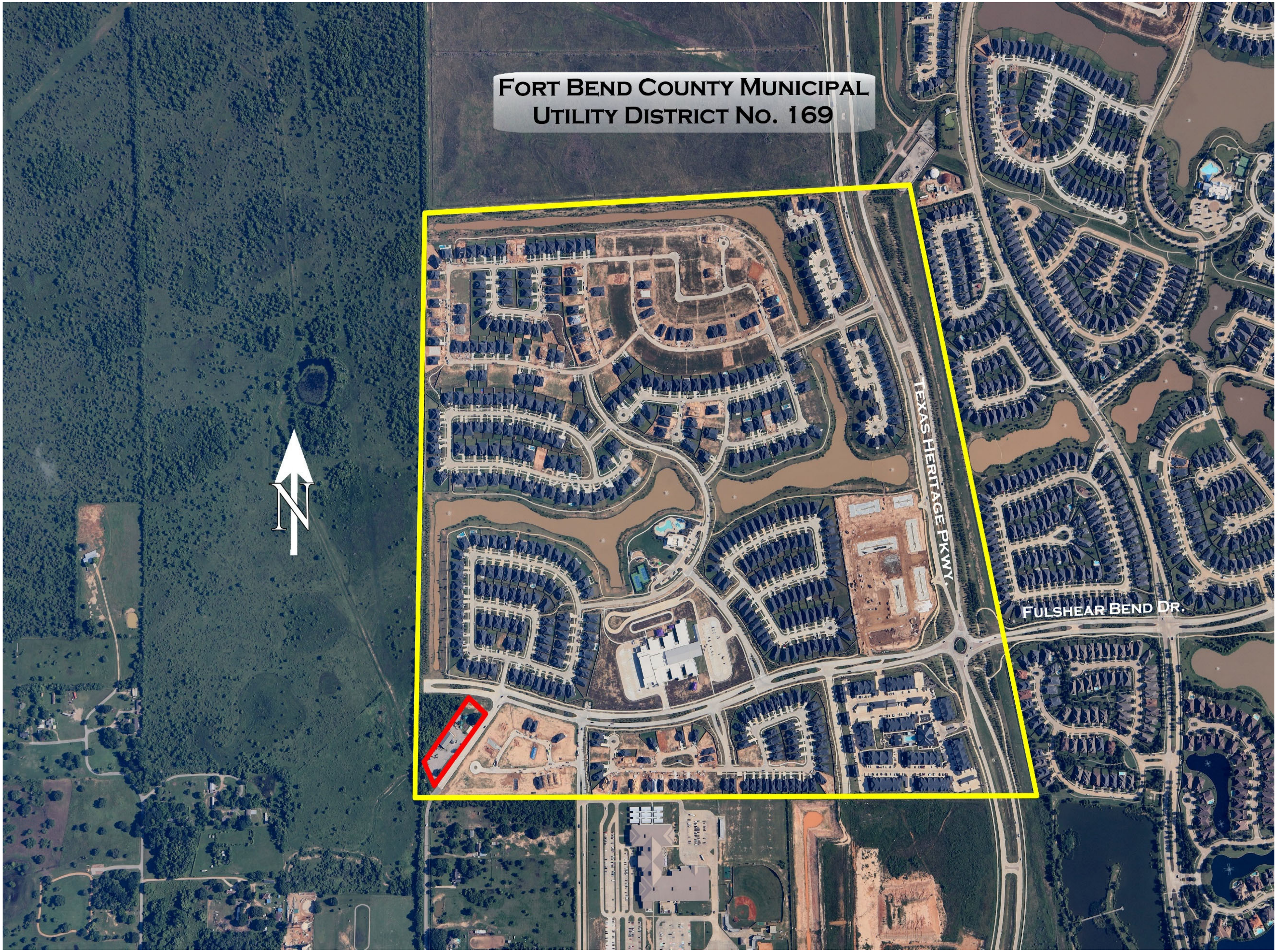
This Official Statement was approved by the Board of Directors of Fort Bend County Municipal Utility District No. 169, as of the date shown on the cover page.

/s/ Arden J. Morley
President, Board of Directors
Fort Bend County Municipal Utility District No. 169

ATTEST:

/s/ Gary Swafford
Secretary, Board of Directors
Fort Bend County Municipal Utility District No. 169

AERIAL PHOTOGRAPH
(Approximate boundaries of the District as of June 2024)


Fort Bend County Municipal
Utility District No. 169
N
Texas Heritage Pkwy
Fulshear Bend Dr.

PHOTOGRAPHS OF THE DISTRICT
(Taken June 2024)


NEWMARK HOMES
SOLD
NEWMARK HOMES
29710 Bar Creek
AUTHORIZED PERSONNEL ONLY
CONTROLLED ACCESS ZONE
HARD HAT REQUIRED
NO SALVAGE


tri pointe
SOLD


6030
BROADSTONE
Cross Creek
RANCH
FIRE LANE NO PARKING
FIRE LANE

APPENDIX A

District Financial Statements for the fiscal year ended September 30, 2023

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 169

FORT BEND COUNTY, TEXAS

FINANCIAL REPORT

September 30, 2023

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McGRATH & CO., PLLC
Certified Public Accountants
2900 North Loop West, Suite 880
Houston, Texas 77092

Independent Auditor's Report

Board of Directors
Fort Bend County Municipal Utility District No. 169
Fort Bend County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Fort Bend County Municipal Utility District No. 169 (the "District"), as of and for the year ended September 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 Fort Bend County Municipal Utility District No. 169, as of September 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 budgetary comparison information 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.

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 Texas Supplementary Information schedules are presented for purposes of additional analysis and are 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 information 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 Texas Supplementary Information schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

McGrath & Co, PLLC

Houston, Texas
January 5, 2024

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Management's Discussion and Analysis

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Using this Annual Report

Within this section of the financial report of Fort Bend County Municipal Utility District No. 169 (the "District"), the District's Board of Directors provides a narrative discussion and analysis of the financial activities of the District for the fiscal year ended September 30, 2023. This analysis should be read in conjunction with the independent auditor's report and the basic financial statements that follow this section.

In addition to this discussion and analysis, this annual report consists of:

- The District's basic financial statements;
- Notes to the basic financial statements, which provide additional information essential to a full understanding of the data provided in the financial statements;
- Supplementary information required by the Governmental Accounting Standards Board (GASB) concerning the District's budget; and
- Other Texas supplementary information required by the District's state oversight agency, the Texas Commission on Environmental Quality (TCEQ).

Overview of the Financial Statements

The District prepares its basic financial statements using a format that combines fund financial statements and government-wide statements onto one financial statement. The combined statements are the *Statement of Net Position and Governmental Funds Balance Sheet* and the *Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances*. Each statement contains an adjustments column which quantifies the differences between the government-wide and fund level statements. Additional details of the adjustments are provided in Note 2 to the basic financial statements.

Government-Wide Financial Statements

The focus of government-wide financial statements is on the overall financial position and activities of the District, both long-term and short-term. The District's government-wide financial statements consist of the *Statement of Net Position* and the *Statement of Activities*, which are prepared using the accrual basis of accounting. The *Statement of Net Position* includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual reported as net position. Over time, changes in net position may provide a useful indicator of whether the financial position of the District as a whole is improving or deteriorating.

Accounting standards establish three components of net position. The net investment in capital assets component represents the District's investments in capital assets, less any outstanding debt or other borrowings used to acquire those assets. Resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The restricted component of net position consists of financial resources that are restricted for a specific purpose by enabling legislation or external parties. The unrestricted component of net position represents resources not included in the other components.

The *Statement of Activities* reports how the District's net position has changed during the fiscal year. All revenues and expenses are included on this statement, regardless of whether cash has been received or paid.

Fund Financial Statements

The fund financial statements include the *Governmental Funds Balance Sheet* and the *Governmental Funds Revenues, Expenditures and Changes in Fund Balances*. The focus of fund financial statements is on specific activities of the District rather than the District as a whole, reported using modified accrual accounting. These statements report on the District's use of available financial resources and the balances of available financial resources at the end of the year. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties, governmental statutes or regulations.

For further discussion on the government-wide and fund financial statements, please refer to Note 1 in the financial statements.

Financial Analysis of the District as a Whole

The District's net position at September 30, 2023, was negative $96,858,358. The District's net position is negative because the District incurs debt to construct water, sewer and storm drainage and road facilities which it conveys to the City of Fulshear, except for certain drainage and detention facilities. A comparative summary of the District's overall financial position, as of September 30, 2023 and 2022, is as follows:

	2023	2022
Current and other assets	$ 34,257,284	$ 35,618,486
Capital assets	104,671,060	100,539,142
Total assets	138,928,344	136,157,628
Total deferred outflows of resources	919,416	983,229
Current liabilities	13,748,221	10,804,463
Long-term liabilities	222,957,897	227,804,606
Total liabilities	236,706,118	238,609,069
Net position		
Net investment in capital assets	(8,560,026)	(9,737,190)
Restricted	24,171,616	20,152,275
Unrestricted	(112,469,948)	(111,883,297)
Total net position	$ (96,858,358)	$ (101,468,212)

The total net position of the District increased during the current fiscal year by $4,609,854. A comparative summary of the District's *Statement of Activities* for the past two years is as follows:

	2023	2022
Revenues		
Property taxes, penalties and interest	$ 223,933	$ 98,742
Contract taxes from participants	15,747,323	13,800,353
Master District fees	2,473,500	2,284,980
Capacity charges	423,383	
Other	1,161,031	216,954
Total revenues	20,029,170	16,401,029
Expenses		
Operating and administrative	2,742,162	2,449,554
Debt interest and fees	5,523,380	5,317,252
Developer interest	1,059,815	1,683,427
Debt issuance costs	319,608	1,470,817
Depreciation	2,802,851	2,649,530
Total expenses	12,447,816	13,570,580
Change in net position before other items	7,581,354	2,830,449
Other items		
Park connection charges	4,214,232	3,456,772
Transfers to other governments	(7,185,732)	(17,405,895)
Change in net position	4,609,854	(11,118,674)
Net position, beginning of year	(101,468,212)	(90,349,538)
Net position, end of year	$ (96,858,358)	$ (101,468,212)

Financial Analysis of the District's Funds

The District's combined fund balances, as of September 30, 2023, were $32,926,769, which consists of $34,434 in the General Fund, $25,999,611 in the Debt Service Fund, $30,358 in the Internal District's Capital Projects Fund, $3,780,398 in the Master District's Capital Projects Fund, and $3,081,968 in the Special Revenue Fund.

General Fund

A comparative summary of the General Fund's financial position as of September 30, 2023 and 2022, is as follows:

	2023	2022
Total assets	$ 43,297	$ 33,144
Total liabilities	$ 8,574	$ 5,978
Total deferred inflows	289	
Total fund balance	34,434	27,166
Total liabilities, deferred inflows and fund balance	$ 43,297	$ 33,144

A comparative summary of the General Fund's activities for the current and prior fiscal year is as follows:

	2023	2022
Total revenues	$ 114,826	$ 47,488
Total expenditures	(270,220)	(99,893)
Revenues under expenditures	(155,394)	(52,405)
Other changes in fund balance	162,662	74,294
Net change in fund balance	$ 7,268	$ 21,889

The District manages its activities with the objectives of ensuring that expenditures will be adequately covered by revenues each year and that an adequate fund balance is maintained. The District's primary financial resources in the General Fund are from a property tax levy and developer advances. Financial resources are influenced by a variety of factors each year:

- Property tax revenues are dependent upon assessed values in the District and the maintenance tax rate set by the District. Property tax revenues increased from prior year because the District increased the maintenance and operations component of the levy and because assessed values increased from prior year.
- The District's primary developer advances funds to the District as needed to pay operating costs.

Debt Service Fund

A comparative summary of the Debt Service Fund's financial position as of September 30, 2023 and 2022, is as follows:

	2023	2022
Total assets	$ 25,999,884	$ 21,948,627
Total deferred inflows	$ 273	$ -
Total fund balance	25,999,611	21,948,627
Total deferred inflows and fund balance	$ 25,999,884	$ 21,948,627

A comparative summary of the Debt Service Fund's activities for the current and prior fiscal year is as follows:

	2023	2022
Total revenues	$ 16,578,426	$ 13,904,828
Total expenditures	(12,719,221)	(12,066,690)
Revenues over expenditures	3,859,205	1,838,138
Other changes in fund balance	191,779	511,370
Net change in fund balance	$ 4,050,984	$ 2,349,508

The District's financial resources in the Debt Service Fund in both the current year and prior year are from property tax revenues, contract tax revenues, and capitalized interest from the sale of bonds. The difference between these financial resources and debt service requirements resulted in an increase in fund balance each year. It is important to note that the District sets its annual debt service tax rate as recommended by its financial advisor, who monitors projected cash flows in the Debt Service Fund to ensure that the District will be able to meet its future debt service requirements.

Internal District Capital Projects Fund

An Internal District Capital Projects Fund was established to account for the expenditure of proceeds from the issuance of the District's Series 2023 Bond Anticipation Note (BAN), which was issued to reimburse the District's developer for the construction of internal water, sewer, and drainage facilities. A summary of the financial position of the Internal District Capital Projects Fund as of September 30, 2023, is as follows:

Total assets	$ 30,792
Total liabilities	$ 434
Total fund balance	30,358
Total liabilities and fund balance	$ 30,792

A summary of activities of the Internal District Capital Projects Fund for the current year is as follows:

Total revenues	$ 66
Total expenditures	(2,491,958)
Revenues under expenditures	(2,491,892)
Other changes in fund balance	2,522,250
Net change in fund balance	$ 30,358

Master District Capital Projects Fund

The District, in its capacity as Master District (the "Master District") uses the Master District Capital Projects Fund to account for expenditures of bond proceeds and park connection charges for the construction of the Master District's regional water, sewer, drainage and road facilities and park improvements. A comparative summary of the Master District Capital Projects Fund's financial position as of September 30, 2023 and 2022 is as follows:

	2023	2022
Total assets	$ 4,106,760	$ 9,620,922
Total liabilities	$ 326,362	$ 347,609
Total fund balance	3,780,398	9,273,313
Total liabilities and fund balance	$ 4,106,760	$ 9,620,922

A comparative summary of activities in the Master District Capital Projects Fund for the current and prior fiscal year is as follows:

	2023	2022
Total revenues	$ 318,180	$ 77,920
Total expenditures	(12,419,751)	(26,850,966)
Revenues under expenditures	(12,101,571)	(26,773,046)
Other changes in fund balance	6,608,656	23,461,108
Net change in fund balance	$ (5,492,915)	$ (3,311,938)

The Master District's capital asset activity in the current year was financed with proceeds from the issuance of its Series 2022A Contract Revenue Bonds (Road Facilities). During the previous fiscal year, capital asset activity was financed with proceeds from the issuance of its Series 2021B Contract Revenue Bonds (Road Facilities), Series 2021 Bond Anticipation Note and Series 2022 Contract Revenue Bonds (Water, Sewer and Drainage Facilities).

Special Revenue Fund

The Master District uses a Special Revenue Fund to account for revenues received from participating districts that are restricted for the operation and maintenance of regional facilities. A comparative summary of the Special Revenue Fund's financial position as of September 30, 2023 and 2022, is as follows:

	2023	2022
Total assets	$ 4,076,551	$ 4,015,793
Total liabilities	$ 994,583	$ 1,369,524
Total fund balance	3,081,968	2,646,269
Total liabilities and fund balance	$ 4,076,551	$ 4,015,793

A comparative summary of activities for the Special Revenue Fund's current and prior fiscal year is as follows:

	2023	2022
Total revenues	$ 3,017,110	$ 2,370,793
Total expenditures	(2,553,546)	(2,370,156)
Revenues over expenditures	463,564	637
Other changes in fund balance	(27,865)	
Net change in fund balance	$ 435,699	$ 637

Revenues in the Special Revenue Fund primarily consist of charges to participating districts for the operation and maintenance of regional facilities. The amount the Master District charges is based upon a unit cost equivalent single-family connection reserved for each participating district. See Note 13 for additional information.

General Fund Budgetary Highlights

The Board of Directors adopts an annual unappropriated budget for the General Fund prior to the beginning of each fiscal year. The Board did not amend the budget during the fiscal year.

Since the District's budget is primarily a planning tool, actual results varied from the budgeted amounts. Actual net change in fund balance was $7,268 greater than budgeted. The *Budgetary Comparison Schedule* on page 46 of this report provides variance information per financial statement line item.

Capital Assets

The District has entered into financing agreements with its developer for the financing of the construction of capital assets within the District. The Developer will be reimbursed from proceeds of future bond issues or other lawfully available funds. These developer funded capital assets are recorded on the District's financial statements upon completion of construction.

Capital assets held by the District at September 30, 2023 and 2022, are summarized as follows:

	2023	2022
Capital assets not being depreciated		
Land and improvements	$ 48,907,336	$ 48,871,472
Construction in progress	6,919,393	4,010,647
	55,826,729	52,882,119
Capital assets being depreciated		
Infrastructure	23,721,302	23,577,779
Recreational and other facilities	43,108,531	39,261,895
	66,829,833	62,839,674
Less accumulated depreciation		
Infrastructure	(3,794,214)	(3,266,070)
Recreational and other facilities	(14,191,288)	(11,916,581)
	(17,985,502)	(15,182,651)
Depreciable capital assets, net	48,844,331	47,657,023
Capital assets, net	$ 104,671,060	$ 100,539,142

Capital asset additions during the current year include the following:

- Flewellen Creek erosion repairs
- Fulshear Bend Drive Extension No. 6 – non-potable water lines
- Morgans Spur Drive Extension Nos. 4 and 5 – non-potable water lines
- Landscape improvements within the Master District service area

The District's construction in progress is for the construction of the wastewater treatment plant expansion to 2.0 million gallons per day and engineering fees related to the water plant no. 3 phase 2.

The District, in its capacity as a participating district and in its capacity as Master District, and the City of Fulshear (the "City") have entered into an agreement which obligates the District to construct water, wastewater, and storm drainage facilities to serve the District and Master District service area and, when completed, to convey title to the facilities to the City. The District also constructs major roadways to serve the District and the Master District service area, and the City has accepted such facilities for operation and maintenance. The value of these assets is recorded as transfers to other governments upon completion of construction and trued-up when the developers are reimbursed. For the year ended September 30, 2023, capital assets in the amount of $7,185,732 have been recorded as transfers to other governments in the government-wide statements. Additional information is presented in Note 12.

Long-Term Debt and Related Liabilities

As of September 30, 2023, the District owes approximately $45,557,076 to developers for completed projects and operating advances. The initial cost of the completed project and related liability is estimated based on actual construction costs plus 10-15% for engineering and other fees and is recorded on the District's financial statements upon completion of construction. As discussed in Note 7, the District has an additional commitment in the amount of $7,460,514 for projects under construction by the developers. As noted, the District will owe its developer for these projects upon completion of construction. The District intends to reimburse the developer from proceeds of future bond issues or other lawfully available funds. The estimated cost of amounts owed to the developer is trued up when the developer is reimbursed.

At September 30, 2023 and 2022, the District had total bonded debt outstanding as shown below:

Series	2023	2022
2014 Road	$ 7,175,000	$ 7,420,000
2015	10,750,000	11,350,000
2015A Road	5,500,000	5,850,000
2016	8,100,000	8,500,000
2017	11,020,000	11,920,000
2017A Refunding	2,090,000	2,220,000
2017B Road	6,740,000	7,080,000
2018 Road	4,690,000	4,910,000
2018A	19,425,000	20,350,000
2019 Refunding	11,335,000	11,965,000
2019A	16,420,000	16,825,000
2020 Road	15,420,000	16,085,000
2020A Refunding	3,270,000	3,425,000
2020B Road Refunding	9,010,000	9,410,000
2020C	12,900,000	13,200,000
2021	9,200,000	9,425,000
2021A Refunding	9,520,000	9,915,000
2021B Road	14,000,000	14,000,000
2022	6,500,000	6,500,000
2022A Road	2,570,000	
	$ 185,635,000	$ 190,350,000

During the current year, the District issued $2,570,000 in contract revenue bonds for road facilities. At September 30, 2023, the District, in its capacity as a Master District, had $337,350,000 unlimited tax bonds authorized, but unissued for regional water, sanitary sewer and drainage facilities and the refunding of such bonds and $45,765,000 for road facilities and the refunding of such bonds.

At September 30, 2023, the District, in its capacity as a participating district, had $48,748,000 unlimited tax bonds authorized, but unissued for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage systems within the District and the refunding of such bonds; $23,212,000 for parks and recreational facilities and the refunding of such bonds; and $10,556,000 for road facilities and the refunding of such bonds.

During the current year, the District, in its capacity as a participating District, issued a $2,655,000 bond anticipation note (BAN) to provide short-term financing for developer reimbursements. The District intends to repay the BAN with proceeds from the issuance of long-term debt. See Note 6 for additional information.

Next Year's Budget

In establishing the budget for the next fiscal year, the Board considered various economic factors that may affect the District, most notably projected revenues from property taxes the projected cost of operating the District. A comparison of next year's budget to current year actual amounts for the General Fund is as follows:

	2023 Actual	2024 Budget
Total revenues	$ 114,826	$ 845,000
Total expenditures	(270,220)	(560,340)
Revenues over/(under) expenditures	(155,394)	284,660
Other changes in fund balance	162,662	
Net change in fund balance	7,268	284,660
Beginning fund balance	27,166	34,434
Ending fund balance	$ 34,434	$ 319,094

Property Taxes

The District's property tax base increased approximately $98,799,000 for the 2023 tax year from $16,699,060 to $115,497,844. This increase was primarily due to new construction in the District. For the 2023 tax year, the District has levied a maintenance tax rate of $0.81838 per $100 of assessed value and a contract tax rate of $0.52 per $100 of assessed value, for a total combined tax rate of $1.33838 per $100 of assessed value. Tax rates for the 2022 tax year were $0.68838 per $100 for maintenance and operations and $0.65 per $100 for contract tax for a combined total of $1.33838 per $100 of assessed value.

Basic Financial Statements

Fort Bend County Municipal Utility District No. 169
Statement of Net Position and Governmental Funds Balance Sheet
September 30, 2023

	General Fund	Debt Service Fund	Internal District Capital Projects Fund	Master District Capital Projects Fund
Assets				
Cash	$ 7,020	$ 32,396	$ 30,792	$ 27,135
Investments		18,933,554		4,172,621
Taxes receivable	289	273		
Master District fees receivable				
Internal balances	31,365	(36,365)		(92,996)
Other receivables		102		
Prepaid items	4,623			
Investments with fiscal agent		7,069,924		
Capital assets not being depreciated				
Capital assets, net				
Total Assets	$ 43,297	$ 25,999,884	$ 30,792	$ 4,106,760
Deferred Outflows of Resources				
Deferred difference on refunding				
Liabilities				
Accounts payable	$ 8,355	$ -	$ 434	$ 12,089
Retainage payable				314,273
Other payables	219			
Accrued interest payable				
Bond anticipation note payable				
Due to developers				
Long-term debt				
Due within one year				
Due after one year				
Total Liabilities	8,574		434	326,362
Deferred Inflows of Resources				
Deferred property taxes	289	273		
Fund Balances/Net Position				
Fund Balances				
Nonspendable	4,623			
Restricted		25,999,611	30,358	3,780,398
Committed				
Unassigned	29,811			
Total Fund Balances	34,434	25,999,611	30,358	3,780,398
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 43,297	$ 25,999,884	$ 30,792	$ 4,106,760
Net Position				
Net investment in capital assets				
Restricted for debt service				
Unrestricted				
Total Net Position				

See notes to basic financial statements.

Special Revenue Fund	Total	Adjustments	Statement of Net Position
$ 312,041	$ 409,384	$ -	$ 409,384
3,203,093	26,309,268		26,309,268
	562		562
58,080	58,080		58,080
97,996			
355,097	355,199		355,199
50,244	54,867		54,867
	7,069,924		7,069,924
		55,826,729	55,826,729
		48,844,331	48,844,331
$ 4,076,551	$ 34,257,284	104,671,060	138,928,344
		919,416	919,416
$ 988,277	$ 1,009,155		1,009,155
	314,273		314,273
6,306	6,525		6,525
		1,828,268	1,828,268
		2,655,000	2,655,000
		45,557,076	45,557,076
		7,935,000	7,935,000
		177,400,821	177,400,821
994,583	1,329,953	235,376,165	236,706,118
	562	(562)	
50,244	54,867	(54,867)	
	29,810,367	(29,810,367)	
3,031,724	3,031,724	(3,031,724)	
	29,811	(29,811)	
3,081,968	32,926,769	(32,926,769)	
$ 4,076,551	$ 34,257,284		
		(8,560,026)	(8,560,026)
		24,171,616	24,171,616
		(112,469,948)	(112,469,948)
		$ (96,858,358)	$ (96,858,358)

Fort Bend County Municipal Utility District No. 169
Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances
For the Year Ended September 30, 2023

	General Fund	Debt Service Fund	Internal District Capital Projects Fund	Master District Capital Projects Fund
Revenues				
Property taxes	$ 114,664	$ 108,271	$ -	$ -
Contract tax from participants		15,747,323		
Penalties and interest		436		
Master District fees				
Capacity charges				
Investment earnings	162	722,396	66	318,180
Total Revenues	114,826	16,578,426	66	318,180
Expenditures/Expenses				
Operating and administrative				
Professional fees	73,481		434	30,788
Contracted services	18,100			
Master District fees	155,520			
Repairs and maintenance				
Utilities				
Regional water authority fees				
Administrative	13,119	17,022		
Other	10,000	60	85	520
Lease				
Capital outlay			2,428,589	11,071,870
Debt service				
Principal		7,285,000		
Interest and fees		5,417,139		
Developer interest				1,059,815
Debt issuance costs			62,850	256,758
Depreciation				
Total Expenditures/Expenses	270,220	12,719,221	2,491,958	12,419,751
Revenues Over/(Under) Expenditures/Expenses	(155,394)	3,859,205	(2,491,892)	(12,101,571)
Other Financing Sources/(Uses)				
Proceeds from sale of bonds		175,576		2,394,424
Proceeds from bond anticipation note			2,655,000	
Repayment of operating advances			(132,750)	
Developer advances	151,000			
Internal transfers	11,662	16,203		
Other Items				
Park connection charges				4,214,232
Transfers to other governments				
Net Change in Fund Balances	7,268	4,050,984	30,358	(5,492,915)
Change in Net Position				
Fund Balance/Net Position				
Beginning of the year	27,166	21,948,627		9,273,313
End of the year	$ 34,434	$ 25,999,611	$ 30,358	$ 3,780,398

See notes to basic financial statements.

Special Revenue Fund	Total	Adjustments	Statement of Activities
$ -	$ 222,935	$ 562	$ 223,497
	15,747,323		15,747,323
	436		436
2,473,500	2,473,500		2,473,500
423,383	423,383		423,383
120,227	1,161,031		1,161,031
3,017,110	20,028,608	562	20,029,170
331,894	436,597		436,597
24,600	42,700		42,700
	155,520		155,520
987,992	987,992		987,992
91,711	91,711		91,711
785,544	785,544		785,544
3,716	33,857		33,857
41,576	52,241		52,241
156,000	156,000		156,000
130,513	13,630,972	(13,630,972)	
	7,285,000	(7,285,000)	
	5,417,139	106,241	5,523,380
	1,059,815		1,059,815
	319,608		319,608
		2,802,851	2,802,851
2,553,546	30,454,696	(18,006,880)	12,447,816
463,564	(10,426,088)	18,007,442	7,581,354
	2,570,000	(2,570,000)	
	2,655,000	(2,655,000)	
	(132,750)	132,750	
	151,000	(151,000)	
(27,865)			
	4,214,232		4,214,232
		(7,185,732)	(7,185,732)
435,699	(968,606)	968,606	
		4,609,854	4,609,854
2,646,269	33,895,375	(135,363,587)	(101,468,212)
$ 3,081,968	$ 32,926,769	$ (129,785,127)	$ (96,858,358)

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Note 1 – Summary of Significant Accounting Policies

The accounting policies of Fort Bend County Municipal Utility District No. 169 (the "District") conform with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board ("GASB"). The following is a summary of the most significant policies:

Creation

The District was organized, created and established pursuant to an order of the Texas Commission on Environmental Quality dated August 21, 2007, and operates in accordance with the Texas Water Code, Chapters 49 and 54, as amended. The Board of Directors held its first meeting on August 30, 2007, and the first bonds were issued on December 17, 2009.

The District's primary activities include, or will include the financing and construction of water, sewer, drainage, parks and recreational facilities and road improvements within the boundaries of the District and the Master District service area (see Note 13 for additional information). As further discussed in Note 10, the District transfers certain facilities to the City of Fulshear upon completion of construction. The District has contracted with various consultants to provide services to operate and administer the affairs of the District. The District has no employees, related payroll or pension costs.

Reporting Entity

The District is a political subdivision of the State of Texas governed by an elected five-member board. The GASB has established the criteria for determining the reporting entity for financial statement reporting purposes. To qualify as a primary government, a government must have a separately elected governing body, be legally separate, and be fiscally independent of other state and local governments, while a component unit is a legally separate government for which the elected officials of a primary government are financially accountable. Fiscal independence implies that the government has the authority to adopt a budget, levy taxes, set rates, and/or issue bonds without approval from other 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 statements as component units.

Government-Wide and Fund Financial Statements

Government-wide financial statements display information about the District as a whole. These statements focus on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Interfund activity, if any, has been removed from these statements. These aggregated statements consist of the *Statement of Net Position* and the *Statement of Activities.*

Note 1 – Summary of Significant Accounting Policies (continued)

Government-Wide and Fund Financial Statements (continued)

Fund financial statements display information at the individual fund level. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for a specific purpose. Each fund is considered to be a separate accounting entity. Most governments typically have many funds; however, governmental financial statements focus on the most important or "major" funds with non-major funds aggregated in a single column. The District has five governmental funds, which are all considered major funds.

The following is a description of the various funds used by the District:

- The General Fund is used to account for the operations of the District's internal water, sewer and drainage facilities (to the extent such facilities are not conveyed to the City) and all other financial transactions not reported in other funds. The primary financial resources are property taxes. Expenditures include costs associated with the daily operations of the District.
- The Debt Service Fund is used to account for the payment of interest and principal on the District's general long-term debt. The primary sources of revenue for debt service are contract tax payments from participant districts in the Master District service area and property taxes. Expenditures include principal and interest on bonds and the cost incurred in assessing and collecting these taxes.
- The Internal District Capital Projects Fund is used to account for the expenditures of bond proceeds for the construction of the District's internal water, sewer, drainage and road facilities.
- The Master District Capital Projects Fund is used to account for the expenditures of bond proceeds and park construction charges for the construction of the District's regional water, sewer, drainage and road facilities and park improvements serving the Master District service area.
- The Special Revenue Fund is used to account for revenues received from participating districts that are restricted to expenditure for the operation and maintenance of regional water, sewer, drainage recreational and road facilities.

As a special-purpose government engaged in a single governmental program, the District has opted to combine its government-wide and fund financial statements in a columnar format showing an adjustments column for reconciling items between the two.

Measurement Focus and Basis of Accounting

The government-wide financial statements use the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied.

Note 1 – Summary of Significant Accounting Policies (continued)

Measurement Focus and Basis of Accounting (continued)

The fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized in the accounting period in which it becomes both available and measurable to finance expenditures of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Revenues susceptible to accrual include property taxes, contract taxes from participating districts, Master District fees and interest earned on investments. Property taxes receivable at the end of the fiscal year are treated as deferred inflows because they are not considered available to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for unmatured interest on long-term debt, which is recognized when due.

Note 2 further details the adjustments from the governmental fund presentation to the government-wide presentation.

Use of Restricted Resources

When both restricted and unrestricted resources are available for use, the District uses restricted resources first, then unrestricted resources as they are needed.

Prepaid Items

Certain payments made by the District reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Receivables from and payables to external parties are reported separately and are not offset, unless a legal right of offset exists. At September 30, 2023, an allowance for uncollectible accounts was not considered necessary.

Interfund Activity

During the course of operations, transactions occur between individual funds. This can include internal transfers, payables and receivables. This activity is combined as internal balances and is eliminated in both the government-wide and fund financial statement presentation.

Note 1 – Summary of Significant Accounting Policies (continued)

Capital Assets

Capital assets do not provide financial resources at the fund level, and, therefore, are reported only in the government-wide statements. The District defines capital assets as assets with an initial cost of $50,000 or more and an estimated useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire the asset on the acquisition date. The District has not capitalized interest incurred during the construction of its capital assets. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. As discussed in Note 12 the District conveys certain assets to the City of Fulshear.

Depreciable capital assets, which primarily consist of landscaping improvements and park and recreational facilities, are depreciated using the straight-line method as follows:

Assets	Useful Life
Infrastructure	20-45 years
Recreational and other facilities	10-35 years

The District's detention facilities and drainage channels are considered improvements to land and are non-depreciable.

Deferred Inflows and Outflows of Financial Resources

A deferred inflow of financial resources is the acquisition of resources in one period that is applicable to a future period, while a deferred outflow of financial resources is the consumption of financial resources in one period that is applicable to a future period. A deferred inflow results from the acquisition of an asset without a corresponding revenue or assumption of a liability. A deferred outflow results from the use of an asset without a corresponding expenditure or reduction of a liability.

At the fund level, property taxes receivable not collected within 60 days of fiscal year end do not meet the availability criteria required for revenue recognition and are recorded as deferred inflows of financial resources.

Deferred outflows of financial resources at the government-wide level are from refunding bond transactions in which the amount required to repay the old debt exceeded the net carrying amount of the old debt. This amount is being amortized to interest expense.

Net Position – Governmental Activities

Governmental accounting standards establish the following three components of net position:

Net investment in capital assets – represents the District's investments in capital assets, less any outstanding debt or other borrowings used to acquire those assets.

Note 1 – Summary of Significant Accounting Policies (continued)

Net Position – Governmental Activities (continued)

Restricted – consists of financial resources that are restricted for a specific purpose by enabling legislation or external parties.

Unrestricted – resources not included in the other components.

Fund Balances – Governmental Funds

Governmental accounting standards establish the following fund balance classifications:

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's nonspendable fund balance consists of prepaid items.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. The District's restricted fund balances in the Internal District Capital Projects Fund and the Master District Capital Projects Fund consists of unspent bond anticipation note proceeds and bond proceeds. Restricted fund balances in the Debt Service Fund consist of property taxes and contract taxes restricted for debt service requirements.

Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The District's committed fund balances in the Special Revenue Fund consist of amounts restricted for the operation and maintenance of the regional water, sewer, drainage, recreational and road facilities.

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

Unassigned - all other spendable amounts in the General Fund.

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

Note 1 – Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses/expenditures during the period reported. These estimates include, among others, the collectability of receivables; the useful lives and impairment of capital assets; the value of amounts due to developer; the value of capital assets transferred to the City of Fulshear and the value of capital assets for which the developer has not been fully reimbursed. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from the estimates.

Note 2 – Adjustment from Governmental to Government-wide Basis

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

Total fund balance, governmental funds		$ 32,926,769
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
Historical cost	$ 122,656,562	
Less accumulated depreciation	(17,985,502)	
Change due to capital assets		104,671,060
The difference between the face amount of bonds refunded and the amount paid to the escrow agent is recorded as a deferred difference on refunding in the *Statement of Net Position* and amortized to interest expense. It is not recorded in the fund statements because it is not a financial resource.		919,416
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. The difference consists of:		
Bonds payable, net	(185,335,821)	
Bond anticipation note payable	(2,655,000)	
Interest payable on bonds	(1,828,268)	
Change due to long-term debt		(189,819,089)
Amounts due to the District's developers for prefunded construction and operating advances are recorded as a liability in the *Statement of Net Position.*		(45,557,076)
Property taxes receivable and related penalties and interest have been levied and are due, but are not available soon enough to pay current period expenditures and, therefore, are deferred in the funds.		562
Total net position - governmental activities		$ (96,858,358)

Note 2 – Adjustment from Governmental to Government-wide Basis (continued)

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the *Statement of Activities*

Net change in fund balances - total governmental funds		$ (968,606)
Governmental funds do not report revenues that are not available to pay current obligations. In contrast, such revenues are reported in the *Statement of Activities* when earned. The difference is for property taxes.		562
Governmental funds report capital outlays for developer reimbursements and construction costs as expenditures in the funds; but reduce the liability for due to developers in the *Statement of Net Position.*		13,630,972
In the *Statement of Activities*, the cost of capital assets retained by the District are capitalized and depreciated over their estimated useful lives. Other assets are conveyed to the City of Fulshear.		
Depreciation expense	$ (2,802,851)	
Transfers to other governments	(7,185,732)	
		(9,988,583)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal uses current financial resources. However, neither transaction has any effect on net assets. Other elements of debt financing are reported differently between the fund and government-wide statements.		
Issuance of long-term debt	(2,570,000)	
Proceeds from bond anticipation note	(2,655,000)	
Principal payments	7,285,000	
Interest expense accrual	(106,241)	
		1,953,759
Amounts received from the District's developers from operating advances provide financial resources at the fund level, but are recorded as a liability in the *Statement of Net Position*.		(151,000)
Amounts repaid to the District's developer for operating advances use financial resources at the fund level, but reduce the liability in the *Statement of Net Position*.		132,750
Change in net position of governmental activities		$ 4,609,854

Note 3 – Deposits and Investments

Deposit Custodial Credit Risk

Custodial credit risk as it applies to deposits (i.e. cash) is the risk that, in the event of the failure of the depository institution, a government will not be able to recover its deposits or will not be able to recover collateral securities. The *Public Funds Collateral Act* (Chapter 2257, Texas Government Code) requires that all of the District's deposits with financial institutions be covered by federal depository insurance and, if necessary, pledged collateral held by a third-party custodian. The act further specifies the types of securities that can be used as collateral. The District's written investment policy establishes additional requirements for collateralization of deposits.

Investments with Fiscal Agent

The District's bond resolutions and indentures of trust require that the District maintains a debt service reserve fund for contract revenue bonds in an amount equal to one-half of the maximum annual debt service requirements on the outstanding bonds. The reserve funds are held by a trustee and are reported as restricted investments. As of September 30, 2023, the District's reserve fund balances in the Debt Service Fund are $4,538,609 for water, sewer and drainage bonds and $2,531,315 for road bonds.

Investments

The District is authorized by the *Public Funds Investment Act* (Chapter 2256, Texas Government Code) to invest in the following: (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including Federal Home Loan Banks, (2) direct obligations of the State of Texas or its agencies and instrumentalities, (3) certain collateralized mortgage obligations, (4) other obligations, which are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies or instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States, (5) certain A rated or higher obligations of states and political subdivisions of any state, (6) bonds issued, assumed or guaranteed by the State of Israel, (7) certain insured or collateralized certificates of deposit and share certificates, (8) certain fully collateralized repurchase agreements, (9) bankers' acceptances with limitations, (10) commercial paper rated A-1 or P-1 or higher and a maturity of 270 days or less, (11) no-load money market mutual funds and no-load mutual funds, with limitations, (12) certain guaranteed investment contracts, (13) certain qualified governmental investment pools and (14) a qualified securities lending program.

The District has adopted a written investment policy to establish the principles by which the District's investment program should be managed. This policy further restricts the types of investments in which the District may invest.

Note 3 – Deposits and Investments (continued)

As of September 30, 2023, the District's investments consist of the following:

Type	Fund	Carrying Value	Percentage of Total	Rating	Weighted Average Maturity
Money Market	Debt Service	$ 25,978,543	78%	AAAm	19 days
TexPool	Debt Service	24,935			
	Capital Projects	4,172,621			
	Special Revenue	3,203,093			
		7,400,649	22%	AAAm	28 days
Total		$ 33,379,192	100%		

Governmental accounting standards establish the following hierarchy of inputs used to measure fair value: Level 1 inputs are based on quoted prices in active markets, Level 2 inputs are based on significant other observable inputs, and Level 3 inputs are based on significant unobservable inputs. The District's investment in the money market fund is measured using published fair value per share (Level 1 inputs).

TexPool

The District participates in TexPool, the Texas Local Government Investment Pool. The State Comptroller of Public Accounts exercises oversight responsibility of TexPool, which includes (1) the ability to significantly influence operations, (2) designation of management and (3) accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure.

As permitted by GAAP, TexPool uses amortized cost (which excludes unrealized gains and losses) rather than market value to compute share price and seeks to maintain a constant dollar value per share. Accordingly, the fair value of the District's position in TexPool is the same as the value of TexPool shares. Investments in TexPool may be withdrawn on a same day basis, as long as the transaction is executed by 3:30 p.m.

Investment Credit and Interest Rate Risk

Investment credit risk is the risk that the investor may not recover the value of an investment from the issuer, while interest rate risk is the risk that the value of an investment will be adversely affected by changes in interest rates. The District's investment policies do not address investment credit and interest rate risk beyond the rating and maturity restrictions established by state statutes.

Note 4 – Interfund Balances and Transactions

Amounts due to/from other funds at September 30, 2023, consist of the following:

Receivable Fund	Payable Fund	Amounts	Purpose
General Fund	Debt Service Fund	$ 36,365	Maintenance tax collections not remitted as of fiscal year end.
Special Revenue Fund	General Fund	5,000	Amounts transferred to cover General Fund expenditures in the prior year.
Special Revenue Fund	Capital Projects Fund	92,996	Construction costs paid by the Special Revenue Fund to be reimbursed by the Master District Capital Projects Fund.

Amounts reported as internal balances between funds are considered temporary balances and will be paid during the following fiscal year.

A summary of internal transfers for the current fiscal year is as follows:

Receivable Fund	Payable Fund	Amounts	Purpose
Debt Service Fund	General Fund	$ 16,203	Maintenance tax collections used for tax collection expenditures.
General Fund	Special Revenue Fund	27,865	To reimburse the General Fund for construction costs.

Note 5 – Capital Assets

A summary of changes in capital assets, for the year ended September 30, 2023, is as follows:

	Beginning Balances	Additions/ Adjustments	Retirements	Ending Balances
Capital assets not being depreciated				
Land and improvements	$ 48,871,472	$ 35,864	$ -	$ 48,907,336
Construction in progress	4,010,647	3,077,509	(168,763)	6,919,393
	52,882,119	3,113,373	(168,763)	55,826,729
Capital assets being depreciated				
Infrastructure	23,577,779	143,523		23,721,302
Recreational and other facilities	39,261,895	3,846,636		43,108,531
	62,839,674	3,990,159		66,829,833
Less accumulated depreciation				
Infrastructure	(3,266,070)	(528,144)		(3,794,214)
Recreational and other facilities	(11,916,581)	(2,274,707)		(14,191,288)
	(15,182,651)	(2,802,851)		(17,985,502)
Subtotal depreciable capital assets, net	47,657,023	1,187,308		48,844,331
Capital assets, net	$ 100,539,142	$ 4,300,681	$ (168,763)	$ 104,671,060

Depreciation expense for the current year was $2,802,851.

The District has contractual commitments for construction projects as follows:

	Contract Amount	Amounts Paid	Remaining Commitment
Wastewater Treatment Plant Expansion to 2.0 MGD	$ 6,249,337	$ 5,971,190	$ 278,147
Cross Creek Ranch Water Plant No. 3 Phase II	1,987,431		1,987,431
	$ 8,236,768	$ 5,971,190	$ 2,265,578

Note 6 – Bond Anticipation Note

The District uses a bond anticipation note ("BAN") to provide short-term financing for reimbursements to its developers. Despite its short-term nature, a BAN is not recorded as a fund liability, since it will not be repaid from current financial resources and will be repaid through the issuance of long-term debt or another BAN. It is, however, recorded as a liability at the government-wide level.

On August 17, 2023, the District, in its capacity as a participating district, issued a $2,655,000 BAN with an interest rate of 5.10%, which is due on August 15, 2024.

Note 6 – Bond Anticipation Note (continued)

The effect of this transaction on the District's short-term obligations are as follows:

Beginning balance	$	-
Amounts borrowed		2,655,000
Ending balance	$	2,655,000

Note 7 – Due to Developers

The District has entered into financing agreements with its developers for the financing of the construction of water, sewer, drainage, park and recreational facilities and road improvements. Under the agreements, the developers will advance funds for the construction of facilities to serve the District and Master District service area. The developers will be reimbursed from proceeds of future bond issues or other lawfully available funds, subject to approval by TCEQ, as applicable. The District does not record the capital asset and related liability on the government-wide statements until construction of the facilities is complete. The initial cost is estimated based on construction costs plus 10-15% for engineering and other fees. Estimates are trued up when the developer is reimbursed.

The District's primary developer has also advanced funds to the District for operating expenses.

Changes in the estimated amounts due to developers during the year are as follows:

	Master District	Internal District	Total
Due to developers, beginning of year	$ 30,042,220	$ 15,007,077	$ 45,049,297
Developer reimbursements	(7,994,360)	(2,428,589)	(10,422,949)
Developer funded construction and adjustments	6,115,579	4,796,899	10,912,478
Repayment of operating advances		(132,750)	(132,750)
Developer operating advances		151,000	151,000
Due to developers, end of year	$ 28,163,439	$ 17,393,637	$ 45,557,076

Note 7 – Due to Developers (continued)

In addition, the District will owe the developers approximately $7,460,514, which is included in the following schedule of contractual commitments. The exact amount is not known until approved by the TCEQ and verified by the District's auditor. As previously noted, these projects will be reported in the government-wide financial statements upon completion of construction.

	Contract Amount	Percentage Completed
Internal District		
Creek Rush at Cross Creek Ranch, Section 8 utilities and paving	$ 2,175,831	9%
Master District		
Wildlife caution signs	133,500	0%
Landscaping improvements to serve:		
Creek Rush, Section 4	749,704	90%
Creek Rush, Section 7	342,000	10%
Creek Rush, Section 9	494,916	5%
Creek Rush Recreational Center, Phase II	1,492,234	1%
Morgans Spur Extenstion 4 and 5	433,818	90%
Texas Heritage Parkway	1,225,629	90%
Panhandle North Dentention softscape	412,882	56%
	$ 7,460,514	

Note 8 – Long-Term Debt

Long-term debt is comprised of the following:

Bonds payable	$ 185,635,000
Unamortized discounts	(850,457)
Unamortized premium	551,278
	$ 185,335,821
Due within one year	$ 7,935,000

Note 8 – Long-Term Debt (continued)

The District's bonds payable at September 30, 2023, consists of unlimited tax bonds as follows:

Series	Amounts Outstanding	Original Issue	Interest Rates	Maturity Date, Serially, Beginning/ Ending	Interest Payment Dates	Call Dates
2014 Road	$ 7,175,000	$ 8,460,000	3.00% - 4.125%	December 1, 2017/2039	December 1, June 1	December 1, 2022
2015	10,750,000	15,000,000	2.00% - 4.00%	December 1, 2016/2040	December 1, June 1	December 1, 2023
2015A Road	5,500,000	8,850,000	2.00% - 5.50%	December 1, 2016/2041	December 1, June 1	December 1, 2023
2016	8,100,000	11,000,000	2.00% - 3.00%	December 1, 2017/2041	December 1, June 1	December 1, 2024
2017	11,020,000	15,320,000	2.25% - 3.50%	December 1, 2018/2042	December 1, June 1	December 1, 2024
2017A Refunding	2,090,000	2,455,000	2.00% - 3.25%	December 1, 2020/2034	December 1, June 1	December 1, 2024
2017B Road	6,740,000	8,440,000	2.00% - 4.50%	December 1, 2018/2042	December 1, June 1	December 1, 2024
2018 Road	4,690,000	5,570,000	3.00% - 5.50%	December 1, 2019/2043	December 1, June 1	December 1, 2024
2018A	19,425,000	23,000,000	3.00% - 5.00%	December 1, 2019/2043	December 1, June 1	December 1, 2024
2019 Refunding	11,335,000	13,245,000	2.00% - 3.00%	December 1, 2019/2036	December 1, June 1	December 1, 2025
2019A	16,420,000	17,580,000	2.00% - 3.00%	December 1, 2020/2044	December 1, June 1	December 1, 2025
2020 Road	15,420,000	16,750,000	2.00% - 2.50%	December 1, 2021/2045	December 1, June 1	December 1, 2026
2020A Refunding	3,270,000	3,630,000	2.00% - 3.00%	December 1, 2020/2037	December 1, June 1	December 1, 2026
2020B Road Refunding	9,010,000	9,910,000	2.00% - 3.00%	December 1, 2020/2038	December 1, June 1	December 1, 2026
2020C	12,900,000	13,500,000	2.00% - 4.00%	December 1, 2021/2045	December 1, June 1	December 1, 2026
2021	9,200,000	9,425,000	2.00% - 4.00%	December 1, 2022/2045	December 1, June 1	December 1, 2027

Continued on next page.

Note 8 – Long-Term Debt (continued)

Series	Amounts Outstanding	Original Issue	Interest Rates	Maturity Date, Serially, Beginning/ Ending	Interest Payment Dates	Call Dates
2021A Refunding	9,520,000	9,940,000	2.00% - 4.00%	December 1, 2021/2038	December 1, June 1	December 1, 2027
2021B Road	14,000,000	14,000,000	2.00% - 4.00%	December 1, 2023/2046	December 1, June 1	December 1, 2027
2022	6,500,000	6,500,000	3.00% - 4.00%	December 1, 2023/2047	December 1, June 1	December 1, 2028
2022A Road	2,570,000	2,570,000	4.00% - 6.50%	December 1, 2024/2046	December 1, June 1	December 1, 2028
	$ 185,635,000					

Payments of principal and interest on all series of contract revenue bonds are to be provided from the participant districts, including the District in its capacity as a participating district, based on their pro rata shares of the total certified assessed valuation of al participating districts. The participant districts are contractually required to levy a contract tax in an amount sufficient to meet their required contribution. See Note 13 for additional information.

Investment income realized by the Debt Service Fund from investment of idle funds will be used to pay outstanding bond principal and interest. The District is in compliance with terms of its bond resolutions.

At September 30, 2023, the District, in its capacity as a participating district, had $48,748,000 unlimited tax bonds authorized, but unissued for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage systems within the District; $23,212,000 for parks and recreational facilities and $10,556,000 for road facilities, and the refunding of such bonds. The District, in its Master District capacity, had contract revenue bonds of $337,350,000 authorized, but unissued for the purpose of acquiring and constructing regional water, sewer and drainage facilities needed to provide services to all participating districts and $45,765,000 for road facilities, and the refunding of such bonds.

On December 8, 2022, the District, in its capacity as a Master District, issued its $2,570,000 Series 2022A Contract Revenue Bonds (Road Facilities) at a net effective interest rate of 5.063702%. Proceeds of the bonds were used to reimburse developers for the cost of road improvements constructed to serve the Master District service area plus interest expense at the net effective interest rate of the bonds and to make a deposit into the debt service reserve fund in an amount sufficient to satisfy the reserve requirements of the bonds.

Note 8 – Long-Term Debt (continued)

The change in the District's long-term debt during the year is as follows:

Bonds payable, beginning of year	$ 190,350,000
Bonds issued	2,570,000
Bonds retired	(7,285,000)
Bonds payable, end of year	$ 185,635,000

As of September 30, 2023, annual debt service requirements on bonds outstanding are as follows:

Year	Principal	Interest	Totals
2024	$ 7,935,000	$ 5,267,512	$ 13,202,512
2025	8,335,000	5,012,212	13,347,212
2026	8,395,000	4,754,443	13,149,443
2027	8,440,000	4,506,802	12,946,802
2028	8,595,000	4,267,466	12,862,466
2029	8,740,000	4,035,850	12,775,850
2030	8,965,000	3,803,716	12,768,716
2031	9,135,000	3,565,573	12,700,573
2032	9,295,000	3,319,093	12,614,093
2033	9,465,000	3,059,994	12,524,994
2034	9,650,000	2,792,044	12,442,044
2035	9,805,000	2,518,409	12,323,409
2036	9,760,000	2,239,016	11,999,016
2037	9,355,000	1,961,116	11,316,116
2038	9,100,000	1,689,473	10,789,473
2039	8,960,000	1,419,162	10,379,162
2040	7,885,000	1,157,272	9,042,272
2041	7,320,000	915,160	8,235,160
2042	6,730,000	694,826	7,424,826
2043	6,185,000	493,022	6,678,022
2044	5,235,000	315,158	5,550,158
2045	4,145,000	177,289	4,322,289
2046	2,975,000	80,412	3,055,412
2047	955,000	25,887	980,887
2048	275,000	5,500	280,500
	$ 185,635,000	$ 58,076,407	$ 243,711,407

Note 9 – Property Taxes

Voters of the District authorized the District's Board of Directors to levy taxes annually for use in financing general maintenance and operations limited to $1.50 per $100 of assessed value and $0.25 per $100 of assessed value for maintenance of road facilities.

All property values and exempt status, if any, are determined by the Fort Bend Central 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.

Property taxes are collected based on rates adopted in the year of the levy. The District's 2023 fiscal year was financed through the 2022 tax levy, pursuant to which the District levied property taxes of $1.33838 per $100 of assessed value, of which $0.68838 was allocated to maintenance and operations and $0.65 was allocated to contract taxes. The resulting tax levy was $223,497 on the adjusted taxable value of $16,699,060.

Note 10 – Transfers to Other Governments

In accordance with the Utility Agreement between the District and the City of Fulshear (the "City"), the District conveys its potable water, sewer, and drainage (excluding detention ponds and drainage channels) facilities to the City (see Note 12). The City has also accepted for operation and maintenance major roadways constructed by the District. Accordingly, the District does not record these capital assets in the *Statement of Net Position*, but instead reports the completed projects as transfers to other governments on the *Statement of Activities*. Additionally, amounts reported for completed projects are trued up when developers are reimbursed. As a result, transfers to other governments includes new completed projects and adjustments for projects completed in previous fiscal years. For the year ended September 30, 2023, the District reported transfers to other governments in the amount of $7,185,732 for projects completed and transferred to the City and developer reimbursements for projects completed in previous fiscal years.

Note 11 – Lease Agreement

On October 1, 2007, the District entered into a lease agreement for a temporary wastewater treatment plant. As amended, this lease agreement provides that the lease expired on May 1, 2022. The District extended the lease on a month-to-month basis following expiration of the term, at a monthly rate of $3,800. The total cost of the lease for the fiscal year ended September 30, 2023 was $45,600. Pursuant to a Partial Assignment of Lease Agreement dated August 19, 2008, the City has assumed the District's obligation for ordinary expenses related to repairing and maintaining the equipment.

Note 11 – Lease Agreement (continued)

On January 24, 2011, the District entered into a lease agreement for a temporary wastewater treatment plant. As amended, this lease agreement provides that the lease expired on May 1, 2022. The District extended the lease on a month-to-month basis following expiration of the term, at a monthly rate of $3,000. The total cost of the lease for the fiscal year ended September 30, 2023 was $36,000. Pursuant to a Partial Assignment of Lease Agreement dated August 1, 2011, the City has assumed the District's obligation for ordinary expenses related to repairing and maintaining the equipment.

On January 23, 2013, the District entered into a lease agreement for a temporary wastewater treatment plant. As amended, this lease agreement provides that the lease expired on May 1, 2022. The District extended the lease on a month-to-month basis following expiration of the term, at a monthly rate of $6,200. The total cost of the lease for the fiscal year ended September 30, 2023 was $74,400. Pursuant to a Partial Assignment of Lease Agreement dated February 18, 2014, the City has assumed the District's obligation for ordinary expenses related to repairing and maintaining the equipment.

Standard lease terms require the District to prepay the last month's lease payment upon inception of the lease. All such amounts are recorded as a prepaid expense on the *Statement of Net Position.*

Note 12 – Utility Agreement with the City of Fulshear

On December 18, 2007, the District entered into a Utility Agreement, as subsequently amended, (the "Utility Agreement") with the City for construction and extension of water distribution facilities, sanitary sewer collection and treatment facilities and drainage facilities to serve the District and the Master District service area. As the system is acquired or constructed, the District will transfer the system (except for detention and drainage channel facilities, non-potable water facilities, and a water quality basin) to the City but will reserve a security interest in the System. The District, not the City, is responsible to own and maintain detention and drainage channel facilities, non-potable water facilities, the water quality basin and recreational facilities. In addition, the District will construct major roadways serving the District and the Master District service area, which facilities have been accepted by the City for operation and maintenance. The term of the agreement is 30 years from the year after the year the District issues unlimited tax bonds. The District has not yet issued unlimited tax bonds.

The City will provide water and wastewater services to customers in the District and in the Master District service area. Water and wastewater rates charged by the City to customers in the District and in the Master District service area may not exceed the same rates charged to similar users within the City. All revenue derived from these charges belongs to the City. The City levies and collects ad valorem taxes on taxable property within the District as it does with any other property located in the City.

Note 12 – Utility Agreement with the City of Fulshear (continued)

The Utility Agreement, as amended on July 16, 2019, provides that the City will pay an annual payment (the "Annual Payment") to the District on February 28th of each year following the year the District issues its first series of unlimited tax bonds and shall continue for 30 years from the year after the year the District issues unlimited tax bonds. The Utility Agreement provides that the Annual Payment shall be deposited by the District into a debt service fund and allocated only to the payment of debt service on unlimited tax bonds issued by the District to finance the District's internal water, wastewater and drainage facilities (except any detention ponds, drainage channels and non-potable water facilities). The Annual Payment may not be used to pay the District's contractual obligation on contract revenue bonds issued by the Master District to finance regional facilities. For the fiscal year ended September 30, 2023, the District has not collected an annual payment from City.

The Annual Payment shall be calculated annually and is equal to a percentage (the "Percentage"), initially 0.062510%, times the taxable assessed value for all property within the District on the City's tax rolls. The Percentage shall be adjusted based on the City's tax rate as follows:

City Ad Valorem Tax Rate Per $100 of Assessed Value	Percentage
$0.219999 or less	0.062510%
$0.22 -- $0.239999	0.07%
$0.24 -- $0.259999	0.08%
$0.26 -- $0.279999	0.09%
$0.28 -- $0.299999	0.10%
$0.30 or higher	0.11%

Note 13 – Master District

The District, in its capacity as a Master District, has entered into contracts, as amended, (the "Contracts") with Fort Bend County Municipal Utility District No. 169 in its capacity as a participating district, Fort Bend County Municipal Utility District No. 170, Fort Bend County Municipal Utility District No. 171, Fort Bend County Municipal Utility District No. 172 and Fort Bend County Municipal Utility District No. 173 whereby the Master District agrees to provide or cause to be provided the regional water supply and distribution facilities, wastewater collection, treatment and disposal facilities, detention/drainage facilities, road facilities and recreational facilities to serve all districts located within the Master District service area. Pursuant to the Contracts with each of the participating districts, and pursuant to the Contract between the District (in its capacity as participating district) and the District (in its capacity as a Master District), the District, in addition to its role as Master District, has the same rights and duties as the other participant districts. The Contracts have a term that expires on January 17, 2052. As discussed in Note 12, the potable water, sewer, drainage (excluding detention/drainage channel facilities and the water quality basin) and road facilities are transferred to the City to own, operate and maintain.

Note 13 – Master District (continued)

As of September 30, 2023, the District, in its Master District capacity, is authorized to issue $337,350,000 in contract revenue bonds for the purpose of acquiring and constructing water, sewer and drainage facilities needed to provide services to all participating districts in the service area and $45,765,000 for road facilities; and the refunding of such bonds. The participating districts, including the District in its capacity as a participating district, shall contribute to the payment of debt service requirements on the contract revenue bonds issued by the Master District based on their pro rata share of the total certified assessed valuation of all participating districts.

The Master District finances water, sewer, and drainage facilities and road facilities through the issuance of contract revenue bonds. The Master District finances park and recreational facilities by imposing park construction charges on the participating districts, which park construction charges are calculated by the Master District from time to time based on each participating district's pro rata share of total connections and total construction costs, as of the date the park construction charges are imposed. The participating districts are obligated to issue park bonds, or use available surplus operating funds, to pay the park construction charges, but the participating districts are not required to issue park bonds in an amount that exceeds any legal limit. Under Chapter 49 of the Texas Water Code, the outstanding principal amount of park bonds may not exceed an amount equal to one percent of the value of the taxable property in a participating district, unless certain financial conditions are met.

The Master District charges each participating district a monthly fee for Master District operating and maintenance expenses based on the unit cost per connection, currently $30, multiplied by the number of equivalent single-family connections reserved to the district. For the year ended September 30, 2023, the Master District has received $2,473,500 in Master District fees.

The Contract provides for an operating and maintenance reserve equivalent to three months' operating and maintenance expenses, as set forth in the Master District's annual budget. The Master District shall adjust the reserve as needed.

Note 14 – Non-Potable Water Agreement

On May 1, 2017, the District entered into a non-potable water agreement with Cross Creek Ranch Community Association ("CCR HOA") and Bonterra at Cross Creek Ranch Community Association ("Bonterra HOA"), collectively the "HOAs", in which the District agrees to provide non-potable water to the HOAs for irrigation. The HOAs agrees to pay their respective shares of the operation and maintenance expenses of the District's non-potable systems. The term of the agreement is 25 years. The agreement shall automatically renew thereafter for successive one-year terms. As of September 30, 2023, CCR HOA share is 41.83% and Bonterra HOA share is 2.84%.

Note 15 – 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 personal injuries. The risk of loss is covered by commercial insurance. There have been no significant reductions in insurance coverage from the prior year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Note 16 – Economic Dependency

The District, in its capacity as a participating district, is dependent upon its developers for operating advances. The developers continue to own a substantial portion of the taxable property within the District. The developers' willingness to pay property taxes will directly affect the District's ability to meet its future obligations.

Note 17 – Subsequent Event

On December 7, 2023, Fort Bend County Municipal Utility District No. 170 ("MUD 170"), issued its $5,000,000 Series 2023 Unlimited Tax Park Bonds. Proceeds from the bonds were used to pay park connection charges to the Master District for MUD 170's share of regional park and recreational facilities. The proceeds from park connection charges were then used to reimburse the District's primary developer for park and recreational facility improvements constructed to serve the Master District service area.

Required Supplementary Information

Fort Bend County Municipal Utility District No. 169
Required Supplementary Information - Budgetary Comparison Schedule - General Fund
For the Year Ended September 30, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes	$ 111,708	$ 114,664	$ 2,956
Investment earnings		162	162
Total Revenues	111,708	114,826	3,118
Expenditures			
Operating and administrative			
Professional fees	95,000	73,481	21,519
Contracted services	20,000	18,100	1,900
Master District fees	207,390	155,520	51,870
Administrative	25,200	13,119	12,081
Other	2,500	10,000	(7,500)
Total Expenditures	350,090	270,220	79,870
Revenues Under Expenditures	(238,382)	(155,394)	82,988
Other Financing Sources			
Internal transfers		11,662	11,662
Developer advances	238,382	151,000	(87,382)
Net Change in Fund Balance		7,268	7,268
Fund Balance			
Beginning of the year	27,166	27,166	
End of the year	$ 27,166	$ 34,434	$ 7,268

Fort Bend County Municipal Utility District No. 169
Required Supplementary Information - Budgetary Comparison Schedule - Special Revenue Fund
For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Master District fees	$ 2,582,475	$ 2,582,475	$ 2,473,500	$ (108,975)
Capacity charges			423,383	423,383
Miscellaneous	100,000	100,000		(100,000)
Investment earnings	10,000	10,000	120,227	110,227
Total Revenues	2,692,475	2,692,475	3,017,110	324,635
Expenditures				
Operating and administrative				
Professional fees	357,500	357,500	331,894	25,606
Contracted services	49,000	49,000	24,600	24,400
Repairs and maintenance	1,365,000	1,825,000	987,992	837,008
Utilities	48,000	50,000	91,711	(41,711)
Regional water authority fees	600,000	343,455	785,544	(442,089)
Administrative	19,700	26,700	3,716	22,984
Other	10,000	10,000	41,576	(31,576)
Lease	156,000	156,000	156,000	
Capital outlay			130,513	(130,513)
Total Expenditures	2,605,200	2,817,655	2,553,546	264,109
Revenues Over/(Under) Expenditures	87,275	(125,180)	463,564	588,744
Other Financing Uses				
Internal transfers			(27,865)	(27,865)
Net Change in Fund Balance	87,275	(125,180)	435,699	560,879
Fund Balance				
Beginning of the year	2,646,269	2,646,269	2,646,269	
End of the year	$ 2,733,544	$ 2,521,089	$ 3,081,968	$ 560,879

Budgets and Budgetary Accounting

An annual unappropriated budget is adopted for the General Fund and Special Revenue Fund by the District's Board of Directors. The budgets are prepared using the same method of accounting as for financial reporting. There were no amendments to the General Fund budget during the year. The Special Revenue Fund budget was amended during the year to reflect changes in anticipated expenditures.

Texas Supplementary Information

Fort Bend County Municipal Utility District No. 169
TSI-1. Services and Rates
September 30, 2023

1. Services provided by the District During the Fiscal Year:

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

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

[X] Other (Specify): Potable water, wastewater and storm sewer facilities accepted by the City of Fulshear for operation and maintenance.

2. Retail Service Providers N/A

a. Retail Rates for a 5/8" meter (or equivalent):

	Minimum Charge	Minimum Usage	Flat Rate (Y / N)	Rate per 1,000 Gallons Over Minimum Usage	Usage Levels
Water:					to
Wastewater:					to
Surcharge:					to

District employs winter averaging for wastewater usage? [ ] Yes [ ] No

Total charges per 10,000 gallons usage: Water ______ Wastewater ______

b. Water and Wastewater Retail Connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC'S
Unmetered			x 1.0	
less than 3/4"			x 1.0	
1"			x 2.5	
1.5"			x 5.0	
2"			x 8.0	
3"			x 15.0	
4"			x 25.0	
6"			x 50.0	
8"			x 80.0	
10"			x 115.0	
Total Water				
Total Wastewater			x 1.0	

See accompanying auditor's report.

3. Total Water Consumption during the fiscal year (rounded to the nearest thousand):

Gallons pumped into system:	N/A	Water Accountability Ratio: (Gallons billed / Gallons pumped)	
Gallons billed to customers:	N/A	N/A	

4. Standby Fees (authorized only under TWC Section 49.231):

Does the District have Debt Service standby fees?	Yes [ ]	No [X]
If yes, Date of the most recent commission Order:		
Does the District have Operation and Maintenance standby fees?	Yes [ ]	No [X]
If yes, Date of the most recent commission Order:		

5. Location of District:

Is the District located entirely within one county?	Yes [X]	No [ ]	
County(ies) in which the District is located:	Fort Bend County		
Is the District located within a city?	Entirely [X]	Partly [ ]	Not at all [ ]
City(ies) in which the District is located:	City of Fulshear		
Is the District located within a city's extra territorial jurisdiction (ETJ)?	Entirely [ ]	Partly [ ]	Not at all [X]
ETJs in which the District is located:			
Are Board members appointed by an office outside the district?	Yes [ ]	No [X]	
If Yes, by whom?			

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 169
TSI-2 General Fund Expenditures
For the Year Ended September 30, 2023

Professional fees		
Legal	$	66,368
Audit		2,000
Engineering		5,113
		73,481
Contracted services		
Bookkeeping		18,100
Master Distrct fees		155,520
Administrative		
Directors fees		8,501
Printing and office supplies		981
Insurance		415
Other		3,222
		13,119
Other		10,000
Total expenditures	$	270,220

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 169
TSI-3. Investments
September 30, 2023

Fund	Interest Rate	Maturity Date	Balance at End of Year
Debt Service			
Money Market Treasury			
Portfolio - Class III	2.60%	N/A	$ 25,978,543
TexPool	Variable	N/A	24,935
			26,003,478
Master District Capital Projects			
TexPool	Variable	N/A	3,562,238
TexPool	Variable	N/A	610,053
TexPool	Variable	N/A	330
			4,172,621
Special Revenue			
TexPool	Variable	N/A	3,188,938
TexPool	Variable	N/A	14,155
			3,203,093
Total - All Funds			$ 33,379,192

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 169
TSI-4. Taxes Levied and Receivable
September 30, 2023

	Maintenance Taxes	Contract Revenue Taxes	Totals
Taxes Receivable, Beginning of Year	$ -	$ -	$ -
2022 Original Tax Levy	412	389	801
Adjustments	114,541	108,155	222,696
Adjusted Tax Levy	114,953	108,544	223,497
Total to be accounted for	114,953	108,544	223,497
Tax collections:			
Current year	114,664	108,271	222,935
Taxes Receivable, End of Year	$ 289	$ 273	$ 562
Taxes Receivable, By Years			
2022	$ 289	$ 273	$ 562

	2022	2021	2020	2019
Property Valuations:				
Land	$ 17,500,010	$ 7,831,900	$ 7,862,670	$ 7,832,000
Improvements		11,400	13,250	11,110
Exemptions	(800,950)	(466,100)	(483,656)	(458,890)
Total Property Valuations	$ 16,699,060	$ 7,377,200	$ 7,392,264	$ 7,384,220
Tax Rates per $100 Valuation:				
Maintenance tax rates *	$ 0.68838	$ 0.64338	$ 0.66338	$ 0.65338
Contract tax rates	0.65000	0.69500	0.67500	0.68500
Total Tax Rates per $100 Valuation	$ 1.33838	$ 1.33838	$ 1.33838	$ 1.33838
Adjusted Tax Levy:	$ 223,497	$ 98,735	$ 98,937	$ 98,829
Percentage of Taxes Collected to Taxes Levied **	99.75%	100.00%	100.00%	100.00%

* Maximum Maintenance Tax Rate Approved by Voters for water, wastewater, drainage and recreational facilities: $1.50 on 11/6/2007

* Maximum Maintenance Tax Rate Approved by Voters for road facilities: $0.25 on 11/4/2008

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

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 169
TSI-5. Long-Term Debt Service Requirements
Series 2014 Contract Revenue Bonds (Road Facilities)--by Years
September 30, 2023

Due During Fiscal Years Ending	Principal Due December 1	Interest Due December 1, June 1	Total
2024	$ 260,000	$ 270,925	$ 530,925
2025	275,000	262,900	537,900
2026	290,000	254,062	544,062
2027	305,000	244,203	549,203
2028	325,000	233,369	558,369
2029	345,000	221,428	566,428
2030	365,000	208,559	573,559
2031	385,000	194,244	579,244
2032	405,000	178,444	583,444
2033	430,000	161,744	591,744
2034	455,000	144,044	599,044
2035	480,000	125,344	605,344
2036	510,000	105,544	615,544
2037	540,000	84,544	624,544
2038	570,000	62,344	632,344
2039	600,000	38,568	638,568
2040	635,000	13,097	648,097
	$ 7,175,000	$ 2,803,363	$ 9,978,363

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 169
TSI-5. Long-Term Debt Service Requirements
Series 2015 Contract Revenue Bonds (Water, Sewer and Drainage Facilities)--by Years
September 30, 2023

Due During Fiscal Years Ending	Principal Due December 1	Interest Due December 1, June 1	Total
2024	$ 600,000	$ 372,375	$ 972,375
2025	600,000	354,375	954,375
2026	600,000	336,375	936,375
2027	600,000	318,375	918,375
2028	600,000	299,625	899,625
2029	600,000	280,125	880,125
2030	600,000	260,250	860,250
2031	600,000	239,625	839,625
2032	600,000	218,250	818,250
2033	600,000	196,500	796,500
2034	600,000	174,375	774,375
2035	575,000	152,344	727,344
2036	575,000	130,781	705,781
2037	575,000	108,500	683,500
2038	575,000	85,500	660,500
2039	575,000	62,500	637,500
2040	575,000	39,500	614,500
2041	700,000	14,000	714,000
	$ 10,750,000	$ 3,643,375	$ 14,393,375

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 169
TSI-5. Long-Term Debt Service Requirements
Series 2015A Contract Revenue Bonds (Road Facilities)--by Years
September 30, 2023

Due During Fiscal Years Ending	Principal Due December 1	Interest Due December 1, June 1	Total
2024	$ 300,000	$ 160,500	$ 460,500
2025	300,000	151,500	451,500
2026	300,000	142,500	442,500
2027	300,000	133,500	433,500
2028	300,000	124,500	424,500
2029	300,000	115,500	415,500
2030	300,000	106,500	406,500
2031	300,000	97,500	397,500
2032	300,000	88,500	388,500
2033	300,000	79,500	379,500
2034	300,000	70,500	370,500
2035	300,000	61,500	361,500
2036	300,000	52,500	352,500
2037	300,000	43,500	343,500
2038	300,000	34,500	334,500
2039	300,000	25,500	325,500
2040	300,000	16,500	316,500
2041	200,000	9,000	209,000
2042	200,000	3,000	203,000
	$ 5,500,000	$ 1,516,500	$ 7,016,500

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 169
TSI-5. Long-Term Debt Service Requirements
Series 2016 Contract Revenue Bonds (Water, Sewer and Drainage Facilities)--by Years
September 30, 2023

Due During Fiscal Years Ending	Principal Due December 1	Interest Due December 1, June 1	Total
2024	$ 400,000	$ 200,750	$ 600,750
2025	400,000	192,750	592,750
2026	400,000	184,750	584,750
2027	400,000	176,750	576,750
2028	400,000	168,500	568,500
2029	400,000	159,750	559,750
2030	400,000	150,750	550,750
2031	400,000	141,250	541,250
2032	400,000	131,250	531,250
2033	400,000	121,250	521,250
2034	400,000	111,250	511,250
2035	400,000	101,000	501,000
2036	400,000	90,250	490,250
2037	400,000	79,250	479,250
2038	500,000	66,875	566,875
2039	500,000	52,500	552,500
2040	500,000	37,500	537,500
2041	500,000	22,500	522,500
2042	500,000	7,500	507,500
	$ 8,100,000	$ 2,196,375	$ 10,296,375

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 169
TSI-5. Long-Term Debt Service Requirements
Series 2017 Contract Revenue Bonds (Water, Sewer and Drainage Facilities)--by Years
September 30, 2023

Due During Fiscal Years Ending	Principal Due December 1	Interest Due December 1, June 1	Total
2024	$ 540,000	$ 335,075	$ 875,075
2025	540,000	318,875	858,875
2026	540,000	304,700	844,700
2027	540,000	291,875	831,875
2028	540,000	278,375	818,375
2029	540,000	264,200	804,200
2030	540,000	248,675	788,675
2031	540,000	232,475	772,475
2032	540,000	216,275	756,275
2033	540,000	200,075	740,075
2034	540,000	183,200	723,200
2035	540,000	165,651	705,651
2036	540,000	148,100	688,100
2037	540,000	130,212	670,212
2038	540,000	111,650	651,650
2039	540,000	92,750	632,750
2040	540,000	73,850	613,850
2041	540,000	54,950	594,950
2042	600,000	35,000	635,000
2043	700,000	12,250	712,250
	$ 11,020,000	$ 3,698,213	$ 14,718,213

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 169
TSI-5. Long-Term Debt Service Requirements
Series 2017A Contract Revenue Refunding Bonds (Water, Sewer and Drainage Facilities)--by Years
September 30, 2023

Due During Fiscal Years Ending	Principal Due December 1	Interest Due December 1, June 1	Total
2024	$ 135,000	$ 56,263	$ 191,263
2025	140,000	53,513	193,513
2026	145,000	50,481	195,481
2027	150,000	47,162	197,162
2028	160,000	43,475	203,475
2029	170,000	39,138	209,138
2030	175,000	34,175	209,175
2031	180,000	28,850	208,850
2032	195,000	23,225	218,225
2033	200,000	17,300	217,300
2034	215,000	10,806	225,806
2035	225,000	3,656	228,656
	$ 2,090,000	$ 408,044	$ 2,498,044

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 169
TSI-5. Long-Term Debt Service Requirements
Series 2017B Contract Revenue Bonds (Road Facilities)--by Years
September 30, 2023

Due During Fiscal Years Ending	Principal Due December 1	Interest Due December 1, June 1	Total
2024	$ 340,000	$ 199,018	$ 539,018
2025	340,000	192,218	532,218
2026	340,000	184,993	524,993
2027	340,000	176,918	516,918
2028	340,000	168,419	508,419
2029	340,000	159,494	499,494
2030	340,000	149,719	489,719
2031	340,000	139,519	479,519
2032	335,000	129,394	464,394
2033	335,000	119,344	454,344
2034	335,000	109,084	444,084
2035	335,000	98,406	433,406
2036	335,000	87,519	422,519
2037	335,000	76,422	411,422
2038	335,000	65,116	400,116
2039	335,000	53,600	388,600
2040	335,000	41,875	376,875
2041	335,000	30,150	365,150
2042	335,000	18,216	353,216
2043	335,000	6,072	341,072
	$ 6,740,000	$ 2,205,496	$ 8,945,496

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 169
TSI-5. Long-Term Debt Service Requirements
Series 2018 Contract Revenue Bonds (Road Facilities)--by Years
September 30, 2023

Due During Fiscal Years Ending	Principal Due December 1	Interest Due December 1, June 1	Total
2024	$ 220,000	$ 173,281	$ 393,281
2025	220,000	164,481	384,481
2026	220,000	157,881	377,881
2027	220,000	151,144	371,144
2028	220,000	144,130	364,130
2029	220,000	136,706	356,706
2030	220,000	129,006	349,006
2031	225,000	120,938	345,938
2032	225,000	112,500	337,500
2033	225,000	104,063	329,063
2034	225,000	95,344	320,344
2035	225,000	86,344	311,344
2036	225,000	77,344	302,344
2037	225,000	68,344	293,344
2038	225,000	59,344	284,344
2039	225,000	50,344	275,344
2040	225,000	41,344	266,344
2041	225,000	32,344	257,344
2042	225,000	23,203	248,203
2043	225,000	13,921	238,921
2044	225,000	4,640	229,640
	$ 4,690,000	$ 1,946,646	$ 6,636,646

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 169
TSI-5. Long-Term Debt Service Requirements
Series 2018A Contract Revenue Bonds (Water, Sewer and Drainage Facilities)--by Years
September 30, 2023

Due During Fiscal Years Ending	Principal Due December 1	Interest Due December 1, June 1	Total
2024	$ 925,000	$ 722,656	$ 1,647,656
2025	925,000	685,656	1,610,656
2026	925,000	653,281	1,578,281
2027	925,000	625,531	1,550,531
2028	925,000	597,203	1,522,203
2029	925,000	567,141	1,492,141
2030	925,000	535,344	1,460,344
2031	925,000	502,391	1,427,391
2032	925,000	468,281	1,393,281
2033	925,000	432,438	1,357,438
2034	925,000	395,438	1,320,438
2035	925,000	358,438	1,283,438
2036	925,000	321,438	1,246,438
2037	925,000	284,438	1,209,438
2038	925,000	247,437	1,172,437
2039	925,000	210,437	1,135,437
2040	925,000	173,437	1,098,437
2041	925,000	135,859	1,060,859
2042	925,000	97,703	1,022,703
2043	925,000	58,969	983,969
2044	925,000	19,656	944,656
	$ 19,425,000	$ 8,093,172	$ 27,518,172

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 169
TSI-5. Long-Term Debt Service Requirements
Series 2019 Contract Revenue Refunding Bonds (Water, Sewer and Drainage Facilities)--by Years
September 30, 2023

Due During Fiscal Years Ending	Principal Due December 1	Interest Due December 1, June 1	Total
2024	$ 655,000	$ 258,000	$ 913,000
2025	680,000	244,650	924,650
2026	705,000	230,800	935,800
2027	730,000	216,450	946,450
2028	765,000	201,500	966,500
2029	795,000	185,900	980,900
2030	825,000	169,700	994,700
2031	860,000	152,850	1,012,850
2032	880,000	133,800	1,013,800
2033	920,000	109,550	1,029,550
2034	965,000	83,688	1,048,688
2035	1,005,000	59,062	1,064,062
2036	1,050,000	30,750	1,080,750
2037	500,000	7,500	507,500
	$ 11,335,000	$ 2,084,200	$ 13,419,200

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 169
TSI-5. Long-Term Debt Service Requirements
Series 2019A Contract Revenue Bonds (Water, Sewer and Drainage Facilities)--by Years
September 30, 2023

Due During Fiscal Years Ending	Principal Due December 1	Interest Due December 1, June 1	Total
2024	$ 425,000	$ 435,737	$ 860,737
2025	450,000	422,612	872,612
2026	470,000	408,813	878,813
2027	495,000	396,812	891,812
2028	520,000	386,662	906,662
2029	545,000	376,011	921,011
2030	570,000	364,506	934,506
2031	600,000	351,700	951,700
2032	630,000	337,469	967,469
2033	660,000	322,150	982,150
2034	695,000	305,625	1,000,625
2035	730,000	287,813	1,017,813
2036	765,000	268,647	1,033,647
2037	805,000	248,042	1,053,042
2038	845,000	225,856	1,070,856
2039	885,000	202,069	1,087,069
2040	930,000	175,950	1,105,950
2041	975,000	147,375	1,122,375
2042	1,025,000	117,375	1,142,375
2043	1,080,000	85,800	1,165,800
2044	1,130,000	52,650	1,182,650
2045	1,190,000	17,852	1,207,852
	$ 16,420,000	$ 5,937,526	$ 22,357,526

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 169
TSI-5. Long-Term Debt Service Requirements
Series 2020 Contract Revenue Bonds (Road Facilities)--by Years
September 30, 2023

Due During Fiscal Years Ending	Principal Due December 1	Interest Due December 1, June 1	Total
2024	$ 665,000	$ 323,987	$ 988,987
2025	665,000	310,687	975,687
2026	665,000	297,387	962,387
2027	665,000	284,087	949,087
2028	665,000	270,788	935,788
2029	665,000	257,488	922,488
2030	665,000	244,188	909,188
2031	665,000	230,888	895,888
2032	665,000	217,588	882,588
2033	665,000	204,288	869,288
2034	665,000	190,988	855,988
2035	665,000	177,687	842,687
2036	665,000	164,387	829,387
2037	665,000	150,671	815,671
2038	665,000	136,541	801,541
2039	665,000	121,994	786,994
2040	665,000	107,031	772,031
2041	665,000	92,069	757,069
2042	665,000	76,691	741,691
2043	665,000	60,897	725,897
2044	700,000	44,250	744,250
2045	700,000	26,750	726,750
2046	720,000	9,000	729,000
	$ 15,420,000	$ 4,000,332	$ 19,420,332

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 169
TSI-5. Long-Term Debt Service Requirements
Series 2020A Contract Revenue Refunding Bonds (Water, Sewer and Drainage Facilities)--by Years
September 30, 2023

Due During Fiscal Years Ending	Principal Due December 1	Interest Due December 1, June 1	Total
2024	$ 160,000	$ 69,850	$ 229,850
2025	165,000	64,975	229,975
2026	175,000	59,875	234,875
2027	185,000	54,475	239,475
2028	195,000	49,750	244,750
2029	200,000	45,800	245,800
2030	210,000	41,700	251,700
2031	215,000	37,450	252,450
2032	220,000	33,100	253,100
2033	235,000	28,550	263,550
2034	240,000	23,800	263,800
2035	255,000	18,850	273,850
2036	260,000	13,700	273,700
2037	275,000	8,350	283,350
2038	280,000	2,800	282,800
	$ 3,270,000	$ 553,025	$ 3,823,025

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 169
TSI-5. Long-Term Debt Service Requirements
Series 2020B Contract Revenue Refunding Bonds (Road Facilities)--by Years
September 30, 2023

Due During Fiscal Years Ending	Principal Due December 1	Interest Due December 1, June 1	Total
2024	$ 415,000	$ 193,588	$ 608,588
2025	435,000	180,838	615,838
2026	455,000	167,488	622,488
2027	480,000	153,463	633,463
2028	500,000	141,263	641,263
2029	520,000	131,063	651,063
2030	535,000	120,513	655,513
2031	550,000	109,662	659,662
2032	570,000	98,462	668,462
2033	585,000	86,912	671,912
2034	610,000	74,962	684,962
2035	625,000	62,612	687,612
2036	650,000	49,862	699,862
2037	670,000	36,662	706,662
2038	690,000	22,631	712,631
2039	720,000	7,650	727,650
	$ 9,010,000	$ 1,637,631	$ 10,647,631

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 169
TSI-5. Long-Term Debt Service Requirements
Series 2020C Contract Revenue Bonds (Water, Sewer and Drainage Facilities)--by Years
September 30, 2023

Due During Fiscal Years Ending	Principal Due December 1	Interest Due December 1, June 1	Total
2024	$ 300,000	$ 318,938	$ 618,938
2025	300,000	306,938	606,938
2026	300,000	294,938	594,938
2027	300,000	282,938	582,938
2028	300,000	273,938	573,938
2029	300,000	267,937	567,937
2030	385,000	261,087	646,087
2031	405,000	253,187	658,187
2032	425,000	244,887	669,887
2033	445,000	236,187	681,187
2034	465,000	226,797	691,797
2035	485,000	216,400	701,400
2036	510,000	204,888	714,888
2037	535,000	192,478	727,478
2038	560,000	179,125	739,125
2039	585,000	164,812	749,812
2040	900,000	146,250	1,046,250
2041	900,000	123,750	1,023,750
2042	900,000	101,250	1,001,250
2043	900,000	78,750	978,750
2044	900,000	56,250	956,250
2045	900,000	33,750	933,750
2046	900,000	11,250	911,250
	$ 12,900,000	$ 4,476,725	$ 17,376,725

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 169
TSI-5. Long-Term Debt Service Requirements
Series 2021 Contract Revenue Bonds (Water, Sewer and Drainage Facilities)--by Years
September 30, 2023

Due During Fiscal Years Ending	Principal Due December 1	Interest Due December 1, June 1	Total
2024	$ 400,000	$ 209,500	$ 609,500
2025	400,000	193,500	593,500
2026	400,000	177,500	577,500
2027	400,000	163,500	563,500
2028	400,000	153,500	553,500
2029	400,000	145,500	545,500
2030	400,000	137,500	537,500
2031	400,000	129,500	529,500
2032	400,000	121,500	521,500
2033	400,000	113,500	513,500
2034	400,000	105,500	505,500
2035	400,000	97,500	497,500
2036	400,000	89,500	489,500
2037	400,000	81,500	481,500
2038	400,000	73,500	473,500
2039	400,000	65,500	465,500
2040	400,000	57,500	457,500
2041	400,000	49,250	449,250
2042	400,000	40,500	440,500
2043	400,000	31,500	431,500
2044	400,000	22,500	422,500
2045	400,000	13,500	413,500
2046	400,000	4,500	404,500
	$ 9,200,000	$ 2,277,250	$ 11,477,250

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 169
TSI-5. Long-Term Debt Service Requirements
Series 2021A Contract Revenue Refunding Bonds (Water, Sewer and Drainage Facilities)--by Years
September 30, 2023

Due During Fiscal Years Ending	Principal Due December 1	Interest Due December 1, June 1	Total
2024	$ 420,000	$ 242,294	$ 662,294
2025	445,000	224,994	669,994
2026	470,000	206,694	676,694
2027	500,000	187,294	687,294
2028	525,000	166,794	691,794
2029	550,000	148,044	698,044
2030	575,000	131,169	706,169
2031	595,000	116,594	711,594
2032	615,000	104,493	719,493
2033	635,000	91,993	726,993
2034	650,000	79,143	729,143
2035	670,000	65,943	735,943
2036	690,000	52,343	742,343
2037	705,000	38,394	743,394
2038	730,000	23,588	753,588
2039	745,000	7,916	752,916
	$ 9,520,000	$ 1,887,690	$ 11,407,690

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 169
TSI-5. Long-Term Debt Service Requirements
Series 2021B Contract Revenue Bonds (Road Facilities)--by Years
September 30, 2023

Due During Fiscal Years Ending	Principal Due December 1	Interest Due December 1, June 1	Total
2024	$ 585,000	$ 352,975	$ 937,975
2025	585,000	329,575	914,575
2026	585,000	306,175	891,175
2027	585,000	282,775	867,775
2028	585,000	259,375	844,375
2029	585,000	241,825	826,825
2030	585,000	230,125	815,125
2031	585,000	218,425	803,425
2032	585,000	206,725	791,725
2033	585,000	195,025	780,025
2034	585,000	183,325	768,325
2035	585,000	171,259	756,259
2036	585,000	158,463	743,463
2037	585,000	144,934	729,934
2038	585,000	131,041	716,041
2039	585,000	117,147	702,147
2040	580,000	103,313	683,313
2041	580,000	89,538	669,538
2042	580,000	75,763	655,763
2043	580,000	61,988	641,988
2044	580,000	48,212	628,212
2045	580,000	34,437	614,437
2046	580,000	20,662	600,662
2047	580,000	6,887	586,887
	$ 14,000,000	$ 3,969,969	$ 17,969,969

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 169
TSI-5. Long-Term Debt Service Requirements
Series 2022 Contract Revenue Bonds (Water, Sewer and Drainage Facilities)--by Years
September 30, 2023

Due During Fiscal Years Ending	Principal Due December 1	Interest Due December 1, June 1	Total
2024	$ 190,000	$ 241,500	$ 431,500
2025	200,000	235,650	435,650
2026	210,000	229,500	439,500
2027	220,000	223,050	443,050
2028	230,000	216,300	446,300
2029	240,000	208,050	448,050
2030	250,000	199,500	449,500
2031	265,000	191,775	456,775
2032	280,000	182,200	462,200
2033	280,000	171,000	451,000
2034	280,000	159,800	439,800
2035	280,000	148,600	428,600
2036	275,000	137,500	412,500
2037	275,000	126,500	401,500
2038	275,000	115,500	390,500
2039	275,000	104,500	379,500
2040	275,000	93,500	368,500
2041	275,000	82,500	357,500
2042	275,000	71,500	346,500
2043	275,000	60,500	335,500
2044	275,000	49,500	324,500
2045	275,000	38,500	313,500
2046	275,000	27,500	302,500
2047	275,000	16,500	291,500
2048	275,000	5,500	280,500
	$ 6,500,000	$ 3,336,425	$ 9,836,425

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 169
TSI-5. Long-Term Debt Service Requirements
Series 2022A Contract Revenue Bonds (Road Facilities)--by Years
September 30, 2023

Due During Fiscal Years Ending	Principal Due December 1	Interest Due December 1, June 1	Total
2024	$ -	$ 130,300	$ 130,300
2025	270,000	121,525	391,525
2026	200,000	106,250	306,250
2027	100,000	96,500	196,500
2028	100,000	90,000	190,000
2029	100,000	84,750	184,750
2030	100,000	80,750	180,750
2031	100,000	76,750	176,750
2032	100,000	72,750	172,750
2033	100,000	68,625	168,625
2034	100,000	64,375	164,375
2035	100,000	60,000	160,000
2036	100,000	55,500	155,500
2037	100,000	50,875	150,875
2038	100,000	46,125	146,125
2039	100,000	41,375	141,375
2040	100,000	36,625	136,625
2041	100,000	31,875	131,875
2042	100,000	27,125	127,125
2043	100,000	22,375	122,375
2044	100,000	17,500	117,500
2045	100,000	12,500	112,500
2046	100,000	7,500	107,500
2047	100,000	2,500	102,500
	$ 2,570,000	$ 1,404,450	$ 3,974,450

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 169
TSI-5. Long-Term Debt Service Requirements
All Bonded Debt Series--by Years
September 30, 2023

Due During Fiscal Years Ending	Principal Due December 1	Interest Due December 1, June 1	Total
2024	$ 7,935,000	$ 5,267,512	$ 13,202,512
2025	8,335,000	5,012,212	13,347,212
2026	8,395,000	4,754,443	13,149,443
2027	8,440,000	4,506,802	12,946,802
2028	8,595,000	4,267,466	12,862,466
2029	8,740,000	4,035,850	12,775,850
2030	8,965,000	3,803,716	12,768,716
2031	9,135,000	3,565,573	12,700,573
2032	9,295,000	3,319,093	12,614,093
2033	9,465,000	3,059,994	12,524,994
2034	9,650,000	2,792,044	12,442,044
2035	9,805,000	2,518,409	12,323,409
2036	9,760,000	2,239,016	11,999,016
2037	9,355,000	1,961,116	11,316,116
2038	9,100,000	1,689,473	10,789,473
2039	8,960,000	1,419,162	10,379,162
2040	7,885,000	1,157,272	9,042,272
2041	7,320,000	915,160	8,235,160
2042	6,730,000	694,826	7,424,826
2043	6,185,000	493,022	6,678,022
2044	5,235,000	315,158	5,550,158
2045	4,145,000	177,289	4,322,289
2046	2,975,000	80,412	3,055,412
2047	955,000	25,887	980,887
2048	275,000	5,500	280,500
	$ 185,635,000	$ 58,076,407	$ 243,711,407

See accompanying auditor's report.

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TSI-6. Change in Long-Term Bonded Debt
September 30, 2023

	Bond Issue			
	Series 2014 Road	Series 2015	Series 2015A Road	Series 2016
Interest rate	3.00% - 4.125%	2.00% - 4.00%	2.00% - 5.50%	2.00% - 3.00%
Dates interest payable	12/1; 6/1	12/1; 6/1	12/1; 6/1	12/1; 6/1
Maturity dates	12/1/17 to 12/1/39	12/1/16 to 12/1/40	12/1/16 to 12/1/41	12/1/17 to 12/1/41
Beginning bonds outstanding	$ 7,420,000	$ 11,350,000	$ 5,850,000	$ 8,500,000
Bonds issued				
Bonds retired	(245,000)	(600,000)	(350,000)	(400,000)
Ending bonds outstanding	$ 7,175,000	$ 10,750,000	$ 5,500,000	$ 8,100,000
Interest paid during fiscal year	$ 278,500	$ 390,375	$ 172,218	$ 208,750
Paying agent's name and city				
Master District All Series	The Bank of New York Mellon Trust Company, N.A., Houston, Texas			

Master District Contract Revenue Bond Authority:	Water, Sewer and Drainage Bonds	Road Bonds
Amount Authorized by Voters	$ 483,000,000	$ 121,450,000
Amount Issued	(145,650,000)	(75,685,000)
Remaining To Be Issued	$ 337,350,000	$ 45,765,000

All contract revenue bonds are secured with contract tax revenues from participating districts.

Internal District Unlimited Tax Bond Authority:	Water, Sewer and Drainage Bonds	Park Bonds	Road Bonds
Amount Authorized by Voters	$ 48,748,000	$ 23,212,000	$ 10,556,000
Amount Issued			
Remaining To Be Issued	$ 48,748,000	$ 23,212,000	$ 10,556,000

All unlimited tax bonds are secured with tax revenues imposed and collected by the District.

Debt Service Fund cash and investment balances as of September 30, 2023:	$ 26,035,874
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 9,748,456

See accompanying auditor's report.

	Bond Issue			
	Series 2017	Series 2017A Refunding	Series 2017B Road	Series 2018 Road
Interest rate	2.25% - 3.50%	2.00% - 3.25%	2.00% - 4.50%	3.00% - 5.50%
Dates interest payable	12/1; 6/1	12/1; 6/1	12/1; 6/1	12/1; 6/1
Maturity dates	12/1/18 to 12/1/42	12/1/20 to 12/1/34	12/1/18 to 12/1/42	12/1/19 to 12/1/43
Beginning bonds outstanding	$ 11,920,000	$ 2,220,000	$ 7,080,000	$ 4,910,000
Bonds issued				
Bonds retired	(900,000)	(130,000)	(340,000)	(220,000)
Ending bonds outstanding	$ 11,020,000	$ 2,090,000	$ 6,740,000	$ 4,690,000
Interest paid during fiscal year	$ 356,675	$ 58,913	$ 207,519	$ 184,281

See accompanying auditor's report.

Bond Issue					
Series 2018A	Series 2019 Refunding	Series 2019A	Series 2020 Road	Series 2020A Refunding	Series 2020B Road Refunding
3.00% - 5.00%	2.00% - 3.00%	2.00% - 3.00%	2.00% - 2.50%	2.00% - 3.00%	2.00% - 3.00%
12/1; 6/1	12/1; 6/1	12/1; 6/1	12/1; 6/1	12/1; 6/1	12/1; 6/1
12/1/19 to 12/1/43	12/1/19 to 12/1/36	12/1/20 to 12/1/44	12/1/21 to 12/1/45	12/1/20 to 12/1/37	12/1/20 to 12/1/38
$ 20,350,000	$ 11,965,000	$ 16,825,000	$ 16,085,000	$ 3,425,000	$ 9,410,000
(925,000)	(630,000)	(405,000)	(665,000)	(155,000)	(400,000)
$ 19,425,000	$ 11,335,000	$ 16,420,000	$ 15,420,000	$ 3,270,000	$ 9,010,000
$ 759,656	$ 270,850	$ 448,187	$ 337,287	$ 74,575	$ 205,813

	Bond Issue			
	Series 2020C	Series 2021	Series 2021A Refunding	Series 2021B Road
Interest rate	2.00% - 4.00%	2.00% - 4.00%	2.00% - 4.00%	2.00% - 4.00%
Dates interest payable	12/1; 6/1	12/1; 6/1	12/1; 6/1	12/1; 6/1
Maturity dates	12/1/21 to 12/1/45	12/1/22 to 12/1/45	12/1/21 to 12/1/38	12/1/23 to 12/1/46
Beginning bonds outstanding	$ 13,200,000	$ 9,425,000	$ 9,915,000	$ 14,000,000
Bonds issued				
Bonds retired	(300,000)	(225,000)	(395,000)	
Ending bonds outstanding	$ 12,900,000	$ 9,200,000	$ 9,520,000	$ 14,000,000
Interest paid during fiscal year	$ 330,938	$ 222,000	$ 258,594	$ 364,675

See accompanying auditor's report.

Bond Issue		
Series 2022	Series 2022A Road	Totals
3.00% - 4.00% 12/1; 6/1 12/1/23 to 12/1/47	4.00% - 6.50% 12/1; 6/1 12/1/24 to 12/1/46	
$ 6,500,000	$ -	$ 190,350,000
	2,570,000	2,570,000
		(7,285,000)
$ 6,500,000	$ 2,570,000	$ 185,635,000
$ 197,516	$ 62,616	$ 5,389,938

Fort Bend County Municipal Utility District No. 169
TSI-7a. Comparative Schedule of Revenues and Expenditures - General Fund
For the Last Five Fiscal Years

	Amounts				
	2023	2022	2021	2020	2019
Revenues					
Property taxes	$ 114,664	$ 47,463	$ 41,939	$ 32,485	$ 44,687
Investment earnings	162	25	4	10	11
Total Revenues	114,826	47,488	41,943	32,495	44,698
Expenditures					
Operating and administrative					
Professional fees	73,481	48,237	44,331	35,992	37,136
Contracted services	18,100	7,710	5,835	5,955	5,790
Master District fees	155,520	38,880			
Administrative	13,119	5,066	13,186	13,595	10,182
Other	10,000				
Total Expenditures	270,220	99,893	63,352	55,542	53,108
Revenues Under Expenditures	$ (155,394)	$ (52,405)	$ (21,409)	$ (23,047)	$ (8,410)

*Percentage is negligible

See accompanying auditor's report.

Percent of Fund Total Revenues				
2023	2022	2021	2020	2019
100%	100%	100%	100%	100%
*	*	*	*	*
100%	100%	100%	100%	100%
64%	102%	106%	111%	83%
16%	16%	14%	18%	13%
135%	82%			
11%	11%	31%	42%	23%
9%				
235%	211%	151%	171%	119%
(135%)	(111%)	(51%)	(71%)	(19%)

Fort Bend County Municipal Utility District No. 169
TSI-7b. Comparative Schedule of Revenues and Expenditures - Debt Service Fund
For the Last Five Fiscal Years

	Amounts				
	2023	2022	2021	2020	2019
Revenues					
Property taxes	$ 108,271	$ 51,272	$ 63,788	$ 50,729	$ 61,967
Contract tax from participants	15,747,323	13,800,353	12,450,588	10,474,474	9,025,849
Penalties and interest	436	7	12	2	
Miscellaneous			100		
Investment earnings	722,396	53,196	1,462	95,279	232,534
Total Revenues	16,578,426	13,904,828	12,515,950	10,620,484	9,320,350
Expenditures					
Tax collection services	17,022	15,690	10,527	8,201	7,411
Debt service					
Principal	7,285,000	6,940,000	5,950,000	5,120,000	3,870,000
Payment to refunded bond escrow agent				44,943	
Interest and fees	5,417,139	5,110,940	4,950,178	4,745,530	4,632,761
Debt issuance costs			358,107	555,380	524,885
Total Expenditures	12,719,221	12,066,630	11,268,812	10,474,054	9,035,057
Revenues Over Expenditures	$ 3,859,205	$ 1,838,198	$ 1,247,138	$ 146,430	$ 285,293

*Percentage is negligible

See accompanying auditor's report.

Percent of Fund Total Revenues				
2023	2022	2021	2020	2019
1%	*	1%	*	1%
95%	100%	99%	99%	97%
*	*	*	*	
		*		
4%	*	*	1%	2%
100%	100%	100%	100%	100%
*	*	*	*	*
44%	50%	48%	48%	42%
			*	
33%	37%	40%	45%	50%
		3%	5%	6%
77%	87%	91%	98%	98%
23%	13%	9%	2%	2%

Fort Bend County Municipal Utility District No. 169
TSI-8. Board Members, Key Personnel and Consultants
For the Year Ended September 30, 2023

Complete District Mailing Address:	3200 Southwest Freeway, Suite 2600, Houston, TX 77027		
District Business Telephone Number:	(713) 860-6400		
Submission Date of the most recent District Registration Form			
(TWC Sections 36.054 and 49.054):	August 10, 2022		
Limit on Fees of Office that a Director may receive during a fiscal year:		$	7,200
(Set by Board Resolution -- TWC Section 49.060)			

Names:	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid *	Expense Reimburse-ments	Title at Year End
Board Members				
Arden J. Morley	05/20 - 05/24	$ 1,563	$ 210	President
John J. Preston	05/20 - 05/24	1,713	723	Vice President
Gary Swafford	05/22 - 05/26	1,791	357	Secretary
Kenneth Martinec	05/22 - 05/26	1,792	591	Assistant Secretary
Barbara Jo D'Andrea	07/22 - 05/26	1,642	452	Assistant Vice President
Consultants		Amounts Paid		
Allen Boone Humphries Robinson LLP	08/30/07			Attorney
General legal fees		$ 196,387		
Bond counsel		79,705		
Myrtle Cruz, Inc.	07/25/22	55,344		Bookkeeper
Assessments of the Southwest, Inc.	10/01/07	12,324		Tax Collector
Fort Bend Central Appraisal District	Legislation	3,000		Property Valuation
Perdue, Brandon, Fielder, Collins & Mott, LP	03/03/08			Delinquent Tax Attorney
BGE, Inc.	10/01/07	466,468		Engineer
McGrath & Co, PLLC	10/11/10	53,000		Auditor
Masterson Advisors LLC	05/01/18	74,158		Financial Advisor

* *Fees of Office* are the amounts actually paid to a director during the District's fiscal year.
See accompanying auditor's report.

APPENDIX B

Specimen Municipal Bond Insurance Policy

ASSURED GUARANTY MUNICIPAL

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Policy No: -N

BONDS: $ in aggregate principal amount of Effective Date:

Premium: $

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

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

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

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

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

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

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

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

ASSURED GUARANTY MUNICIPAL CORP.

By ________________________________
Authorized Officer

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