

OFFICIAL STATEMENT DATED JUNE 27, 2024

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

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

BOOK-ENTRY-ONLY

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

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 192 *(A political subdivision of the State of Texas located within Fort Bend County)*

\$1,465,000
UNLIMITED TAX BONDS
SERIES 2024

\$2,170,000
UNLIMITED TAX PARK BONDS
SERIES 2024A

Dated Date: July 1, 2024

Due: September 1, as shown on the inside cover

Interest Accrual Date: Date of Delivery

The \$1,465,000 Unlimited Tax Bonds, Series 2024 (the "Series 2024 Bonds") and the \$2,170,000 Unlimited Tax Park Bonds, Series 2024A (the "Series 2024A Park Bonds") (collectively referred to herein as the "Bonds") are obligations solely of Fort Bend County Municipal Utility District No. 192 (the "District") and are not obligations of the State of Texas, Fort Bend County, Texas, the City of Sugar Land, Texas, or any entity other than the District. THE PURCHASE AND OWNERSHIP OF THE BONDS ARE SUBJECT TO SPECIAL INVESTMENT CONSIDERATIONS AND ALL PROSPECTIVE PURCHASERS ARE URGED TO EXAMINE CAREFULLY THIS ENTIRE OFFICIAL STATEMENT WITH RESPECT TO THE INVESTMENT SECURITY OF THE BONDS, INCLUDING PARTICULARLY THE SECTION CAPTIONED "INVESTMENT CONSIDERATIONS."

Principal of the Bonds is payable at maturity or prior redemption at the principal payment office of the paying agent/registrar, initially The Bank of New York Mellon Trust Company, N.A. in Houston, Texas (the "Paying Agent/Registrar"). Interest on the Bonds accrues from the initial date of delivery (expected to be on or about July 30, 2024) (the "Date of Delivery") and is payable on each March 1 and September 1 (each an "Interest Payment Date") commencing March 1, 2025, until maturity or prior redemption. The Bonds will be issued only in fully registered form and in denominations of \$5,000 each or integral multiples thereof. The Bonds mature and are subject to redemption prior to their maturity as shown on the inside cover.

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



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

See "MATURITY SCHEDULES" on the inside cover.

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

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, Houston, Texas. Delivery of the Bonds in book-entry form through DTC is expected on or about July 30, 2024.

MATURITY SCHEDULES

\$1,465,000 SERIES 2024 BONDS

Due (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP Number (c)	Due (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP Number (c)
2025	\$ 50,000	6.500%	3.75%	34684C FA8	2028	\$ 50,000	6.500%	3.65%	34684C FD2
2026	50,000	6.500	3.65	34684C FB6	2029	55,000	6.500	3.65	34684C FE0
2027	50,000	6.500	3.65	34684C FC4					

\$110,000 Term Bonds due September 1, 2031 (b), 34684C FG5 (c), 6.500% Interest Rate, 3.65% Yield (a)
 \$175,000 Term Bonds due September 1, 2034 (b), 34684C FK6 (c), 4.000% Interest Rate, 3.80% Yield (a)
 \$190,000 Term Bonds due September 1, 2037 (b), 34684C FN0 (c), 4.000% Interest Rate, 4.00% Yield (a)
 \$130,000 Term Bonds due September 1, 2039 (b), 34684C FQ3 (c), 4.000% Interest Rate, 4.09% Yield (a)
 \$140,000 Term Bonds due September 1, 2041 (b), 34684C FS9 (c), 4.000% Interest Rate, 4.16% Yield (a)
 \$150,000 Term Bonds due September 1, 2043 (b), 34684C FU4 (c), 4.125% Interest Rate, 4.24% Yield (a)
 \$155,000 Term Bonds due September 1, 2045 (b), 34684C FW0 (c), 4.125% Interest Rate, 4.30% Yield (a)
 \$160,000 Term Bonds due September 1, 2047 (b), 34684C FY6 (c), 4.125% Interest Rate, 4.35% Yield (a)

\$2,170,000 SERIES 2024A PARK BONDS

Due (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP Number (c)	Due (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP Number (c)
2025	\$ 70,000	6.500%	3.75%	34684C FZ3	2040	\$ 105,000 (b)	4.000%	4.12%	34684C GQ2
2026	70,000	6.500	3.65	34684C GA7	2041	105,000 (b)	4.000	4.16	34684C GR0
2027	75,000	6.500	3.65	34684C GB5	2042	110,000 (b)	4.000	4.20	34684C GS8
2028	75,000	6.500	3.65	34684C GC3	2043	110,000 (b)	4.125	4.24	34684C GT6
2029	80,000	6.500	3.65	34684C GD1	2044	115,000 (b)	4.125	4.27	34684C GU3
***	***	***	***	***	2045	115,000 (b)	4.125	4.30	34684C GV1
2038	100,000 (b)	4.000	4.05	34684C GN9	2046	120,000 (b)	4.125	4.33	34684C GW9
2039	100,000 (b)	4.000	4.09	34684C GP4	2047	120,000 (b)	4.125	4.35	34684C GX7

\$160,000 Term Bonds due September 1, 2031 (b), 34684C GF6 (c), 6.250% Interest Rate, 3.65% Yield (a)
 \$260,000 Term Bonds due September 1, 2034 (b), 34684C GJ8 (c), 4.000% Interest Rate, 3.80% Yield (a)
 \$280,000 Term Bonds due September 1, 2037 (b), 34684C GM1 (c), 4.000% Interest Rate, 4.00% Yield (a)

- (a) Initial reoffering yield represents the initial offering yield to the public, which has been established by the Initial Purchaser for offers to the public and which subsequently may be changed.
- (b) The Bonds maturing on or after September 1, 2031 are subject to redemption prior to maturity at the option of the District, in whole or, from time to time in part, on September 1, 2030, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon 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."
- (c) 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 Initial Purchaser shall be responsible for the selection or correctness of the CUSIP Numbers set forth herein.

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USE OF INFORMATION IN OFFICIAL STATEMENT

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

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

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

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 Initial Purchaser (as herein defined) and thereafter only as specified in “PREPARATION OF OFFICIAL STATEMENT—Updating the Official Statement.”

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

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 FINANCING

- Description...* The \$1,465,000 Unlimited Tax Bonds, Series 2024 (the “Series 2024 Bonds”) and the \$2,170,000 Unlimited Tax Park Bonds, Series 2024A (the “Series 2024A Park Bonds”) (collectively referred to herein as the “Bonds”) are being issued as fully registered bonds pursuant to separate resolutions (collectively, the “Bond Resolutions”) authorizing the issuance of each series of the Bonds adopted by the District’s Board of Directors (the “Board”). The Series 2024 Bonds are scheduled to mature serially on September 1 in each of the years 2025 through 2029, both inclusive, and as term bonds maturing on September 1 in each of the years 2031, 2034, 2037, 2039, 2041, 2043, 2045 and 2047 (the “Series 2024 Term Bonds”) in the principal amounts and accruing interest at the rates shown on the inside cover hereof. The Series 2024A Park Bonds are scheduled to mature serially on September 1 in each of the years 2025 through 2029, both inclusive, and 2038 through 2047, both inclusive, and as term bonds maturing on September 1 in each of the years 2031, 2034 and 2037 (the “Series 2024A Park Term Bonds”) in the principal amounts and accruing interest at the rates shown on the inside cover hereof. The Series 2024 Term Bonds and the Series 2024A Park Term Bonds shall be referred to herein collectively as the “Term Bonds.” The Bonds will be issued in denominations of \$5,000 or integral multiples of \$5,000. Interest on the Bonds accrues from the Date of Delivery, and is payable on March 1, 2025, and on each September 1 and March 1 thereafter, until maturity or prior redemption. See “THE BONDS” and “BOOK-ENTRY-ONLY SYSTEM.”
- Book-Entry-Only System...* The Depository Trust Company (“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 series and maturity of the Bonds and will be deposited with DTC or its designee. See “BOOK-ENTRY-ONLY SYSTEM.”
- Redemption...* The Bonds maturing on or after September 1, 2031, are subject to redemption prior to maturity at the option of the District, in whole or, from time to time in part, on September 1, 2030, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon 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 Series 2024 Bonds will be used to pay for the construction costs and to pay developer interest as shown herein under “USE AND DISTRIBUTION OF BOND PROCEEDS—SERIES 2024 BONDS.” Proceeds of the Series 2024A Park Bonds will be used to pay for the construction costs and to pay developer interest as shown herein under “USE AND DISTRIBUTION OF BONDS PROCEEDS—SERIES 2024A PARK BONDS” and “THE PARK SYSTEM.” In addition, Bond proceeds will be used to pay engineering fees and administrative costs and certain other costs related to the issuance of the Bonds, including six (6) months of capitalized interest on the Bonds, respectively.
- Authority for Issuance...* At an election held within the District on November 5, 2013, voters authorized a total of \$28,600,000 principal amount of unlimited tax bonds for purposes of acquiring or constructing water, sanitary sewer and drainage facilities and \$5,900,000 principal amount of unlimited tax bonds for purpose of acquiring or constructing parks and recreational facilities, respectively. The Series 2024 Bonds are the fourth issue out of such authorization for water, sanitary sewer and drainage facilities, and the Series 2024A Park Bonds are the first issue out of such authorization for parks and recreational facilities. See “THE BONDS—Authority for Issuance.” The Bonds are issued by the District pursuant to the terms and provisions of the Bond Resolutions, an order of the TCEQ (defined herein), Article XVI, Section 59 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.

<i>Source of Payment...</i>	Principal of and interest on the Bonds are payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property within the District. The Bonds are obligations of the District and are not obligations of the City of Sugar Land, Fort Bend County, the State of Texas or any entity other than the District. See “THE BONDS—Source and Security for Payment.”
<i>Payment Record...</i>	The District has previously issued three series of unlimited tax bonds for water, sanitary sewer and drainage facilities and two series of unlimited tax road bonds, \$9,995,000 of which remains outstanding as of May 1, 2024 (the “Outstanding Bonds”). The District has never defaulted on the payment of principal and interest on the Outstanding Bonds.
<i>Qualified Tax-Exempt Obligations...</i>	The District has designated the Bonds as “qualified tax-exempt obligations” pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended. See “TAX MATTERS—Qualified Tax-Exempt Obligations.”
<i>Municipal Bond Rating and Municipal Bond Insurance...</i>	S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, (“S&P”) has assigned a municipal bond rating of “AA” (stable outlook) to the Bonds with the understanding that, upon delivery of the Bonds, separate municipal bond insurance policies ensuring the timely payment of the principal of and interest on the Bonds will be issued by Build America Mutual Assurance Company (“BAM”). 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 “INVESTMENT CONSIDERATIONS—Risk Factors Related to the Purchase of Municipal Bond Insurance” “MUNICIPAL BOND RATING” and “MUNICIPAL BOND INSURANCE.”
<i>Bond Counsel...</i>	Allen Boone Humphries Robinson, LLP, Houston, Texas. See “MANAGEMENT OF THE DISTRICT—District Consultants” and “LEGAL MATTERS.”
<i>Financial Advisor...</i>	Masterson Advisors LLC, Houston, Texas.
<i>Disclosure Counsel...</i>	McCall, Parkhurst & Horton L.L.P., Houston, Texas. See “LEGAL MATTERS.”
<i>Paying Agent/Registrar...</i>	The Bank of New York Mellon Trust Company, N.A., Houston, Texas. See “THE BONDS—Method of Payment of Principal and Interest.”

THE DISTRICT

<i>Description...</i>	The District was created under Article XVI, Section 59 of the Texas Constitution by Senate Bill 994, as passed by the 81st Texas Legislature on June 19, 2009, and operates in accordance with Chapter 8330 of the Texas Special District Local Laws Code, and Chapters 49 and 54 of the Texas Water Code, as amended. The District is located approximately 30 miles southwest of the central business district of Houston in Fort Bend County, Texas. The District is located east of Macek Road, north of FM 2759 Road, and south of Greatwood Bend Subdivision. Residents gain access to the area within the District from Macek Road and FM 2759 Road. The District consists of approximately 100 acres of land. The entire District lies within the extraterritorial jurisdiction of the City of Sugar Land, Texas and the Lamar Consolidated Independent School District. The District intends to annex approximately 6 acres of land into the boundaries of the District. The City of Sugar Land has approved such annexation, but the District has not taken official action to finalize the annexation at this time. See “THE DISTRICT.”
<i>Status of Development...</i>	The District was developed as Greatwood Lake, a single-family residential community. Development in the District currently includes 258 single-family residential lots on approximately 99 acres. As of April 11, 2024, the District consisted of 258 completed homes (257 occupied). The average home value based on the District’s 2023 Certified Taxable Assessed Valuation was \$426,000.

All of the developable acreage within the District has been provided with water distribution, sanitary sewer and storm drainage facilities. In addition to the development described above, approximately 1.5 acres have been platted and developed as an amenity center, including open space, walking trails, recreational pool, playground equipment, covered area and bathrooms and approximately 2 acres included in the subdivision plats have been developed as a pocket park. Approximately 18 acres included in the subdivision plats are restricted to drainage, landscape and open space purposes and are undevelopable. See “THE DISTRICT.”

The Developer...

The developer of the residential land within the District is Pointe Greatwood, LLC, a Texas limited liability company (the “Developer”) created for the sole purpose of developing the land in the District. The managing member of the Developer is Pointe Land & Development, LLC, a Texas limited liability company. With the consent of the District and pursuant to a development financing agreement, the Developer has financed and, subject to certain conditions, is entitled to be reimbursed for the design and construction of certain water, sanitary sewer, drainage, road and recreational facilities. See “THE DEVELOPER.”

INVESTMENT CONSIDERATIONS

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 “INVESTMENT CONSIDERATIONS.”

SELECTED FINANCIAL INFORMATION

2023 Certified Taxable Assessed Valuation.....	\$109,456,169 (a)
2024 Preliminary Taxable Assessed Valuation.....	\$119,794,425 (b)
Gross Direct Debt Outstanding (the Bonds and the Outstanding Bonds).....	\$13,630,000
Estimated Overlapping Debt.....	<u>11,820,610</u> (c)
Gross Direct Debt and Estimated Overlapping Debt.....	\$25,450,610
Ratios of Gross Direct Debt to:	
2023 Certified Taxable Assessed Valuation.....	12.45%
2024 Preliminary Taxable Assessed Valuation.....	11.38%
Ratios of Gross Direct Debt and Estimated Overlapping Debt to:	
2023 Certified Taxable Assessed Valuation.....	23.25%
2024 Preliminary Taxable Assessed Valuation.....	21.25%
2023 Debt Service Tax Rate.....	\$0.90
2023 Maintenance Tax Rate.....	<u>0.53</u>
2023 Total Tax Rate.....	\$1.43
Average percentage of total tax collections (2019-2023).....	99.69%
Average Annual Debt Service Requirement (2025-2047).....	\$ 857,855 (d)
Maximum Annual Debt Service Requirement (2025).....	\$1,032,625 (d)
Tax Rates Required to Pay Average Annual Debt Service (2025-2047) at a 95% Collection Rate:	
Based upon 2023 Certified Taxable Assessed Valuation.....	\$0.83 (e)
Based upon 2024 Preliminary Taxable Assessed Valuation.....	\$0.76 (e)
Tax Rates Required to Pay Maximum Annual Debt Service (2025) at a 95% Collection Rate:	
Based upon 2023 Certified Taxable Assessed Valuation.....	\$1.00 (e)
Based upon 2024 Preliminary Taxable Assessed Valuation.....	\$0.91 (e)
Connection Count as of April 11, 2024 (f):	
Single-family residential – completed and occupied.....	257
Single-family residential – completed and unoccupied.....	<u>1</u>
Total.....	258

Estimated 2024 Population — 900 (g)

- (a) As certified by the Fort Bend Central Appraisal District (the "Appraisal District"). See "TAX PROCEDURES."
- (b) Provided by the Appraisal District as a preliminary indication of the 2024 taxable value (as of January 1, 2024). Such amount is subject to property owner protest, review and downward adjustment prior to certification. No tax will be levied upon such amount until it is certified by the Appraisal District. See "TAX PROCEDURES."
- (c) See "ESTIMATED OVERLAPPING DEBT STATEMENT."
- (d) See "DEBT SERVICE REQUIREMENTS."
- (e) See "TAX DATA—Tax Adequacy for Debt Service."
- (f) See "THE DISTRICT—Status of Development."
- (g) Estimate based on 3.5 persons per occupied single-family connection.

OFFICIAL STATEMENT

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 192 (A political subdivision of the State of Texas located within Fort Bend County)

\$1,465,000
UNLIMITED TAX BONDS
SERIES 2024

\$2,170,000
UNLIMITED TAX PARK BONDS
SERIES 2024A

This Official Statement provides certain information in connection with the issuance by Fort Bend County Municipal Utility District No. 192 (the “District”) of its \$1,465,000 Unlimited Tax Bonds, Series 2024 (the “Series 2024 Bonds”) and the \$2,170,000 Unlimited Tax Park Bonds, Series 2024A (the “Series 2024A Park Bonds”) (collectively referred herein as the “Bonds”).

The Bonds are issued pursuant to Article XVI, Section 59 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, separate resolutions authorizing, respectively, the issuance of the Series 2024 Bonds and the Series 2024A Park Bonds (collectively the “Bond Resolutions”) adopted by the Board of Directors of the District (the “Board”), an order of the Texas Commission on Environmental Quality (the “TCEQ” or the “Commission”) and an election held within the District.

This Official Statement includes descriptions, among others, of the Bonds and the Bond Resolutions, and certain other information about the District, and Pointe Greatwood, LLC (the “Developer”). 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 the District upon payment of the costs of duplication therefor.

THE BONDS

General

The following is a description of some of the terms and conditions of the Bonds, which description is qualified in its entirety by reference to the Bond Resolutions. The Bond Resolutions authorize the issuance and sale of the Bonds and prescribe the terms, conditions and provisions for the payment of the principal of and interest on the Bonds by the District.

Description

The Bonds will be dated July 1, 2024, with interest payable on March 1, 2025, and on each September 1 and March 1 thereafter (each an “Interest Payment Date”) until the earlier of maturity or redemption. Interest on the Bonds initially accrues from the Date of Delivery, and thereafter, from the most recent Interest Payment Date. The Bonds mature on September 1 of the years and in the principal amounts and accrue interest at the rates shown under “MATURITY SCHEDULES” on the inside cover page hereof. The Bonds are issued in fully registered form only in denominations of \$5,000 or any integral multiple of \$5,000 for any one maturity. The Bonds will be registered and delivered only to The Depository Trust Company, New York, New York (“DTC”), in its nominee name of Cede & Co., pursuant to the book-entry system described herein (“Registered Owners”). No physical delivery of the Bonds will be made to the purchasers thereof. See “BOOK-ENTRY-ONLY SYSTEM.” Interest calculations are based upon a three hundred sixty (360) day year comprised of twelve (12) thirty (30) day months.

Under certain limited circumstances described further in the Bond Resolutions, the District may determine to forego immobilization of the Bonds at DTC, or another securities depository, in which case, the interests of each Beneficial Owner (as defined herein under “BOOK-ENTRY-ONLY SYSTEM.”) with respect to the Bonds or any particular Bond would become exchangeable for one or more fully registered Bonds of like series and principal amount and the recipients of such exchange Bonds would be the Registered Owners (as defined below under “Registration”) for all purposes described herein. See “BOOK-ENTRY-ONLY SYSTEM.”

Authority for Issuance

At a bond election held within the District on November 5, 2013, the voters of the District authorized the issuance of a total of \$28,600,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing water, sanitary sewer and drainage facilities and refunding of such bonds and a total of \$5,900,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing parks and recreational facilities. The Series 2024 Bonds and the Series 2024A Park Bonds are being issued pursuant to such authorizations, respectively. See “—Issuance of Additional Debt” herein. The Commission has approved the sale of the Bonds for the purposes described in “USE AND DISTRIBUTION OF BOND PROCEEDS.”

The Bonds are issued by the District pursuant to the terms and provisions of the Bond Resolution, an order of the TCEQ, Article XVI, Section 59 of the Texas Constitution, and Chapters 49 and 54 of the Texas Water Code, as amended.

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

Source and Security for Payment

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

Funds

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

Proceeds from sale of the Bonds, including six (6) months of capitalized interest on each respective series of Bonds, interest earnings thereon, shall be deposited into the Capital Projects Funds, to pay the costs of acquiring or constructing District water, sanitary sewer, drainage and parks and recreational facilities and for paying the costs of issuing the Bonds. See "USE AND DISTRIBUTION OF BOND PROCEEDS."

The District also maintains a Road Debt Service Fund that is not pledged to the outstanding water, sanitary sewer and drainage and park bonds or the Bonds. Funds in the Road Debt Service Fund are not available to pay principal and interest on the outstanding water, sanitary sewer and drainage and park bonds or the Bonds.

Record Date

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

Redemption Provisions

Mandatory Redemption of the Series 2024 Term Bonds: The Series 2024 Bonds maturing on September 1 in each of the years 2031, 2034, 2037, 2039, 2041, 2043, 2045 and 2047 (the “Series 2024 Term Bonds”) shall be redeemed, at a price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption (the “Mandatory Redemption Date”), on September 1 in each of the years and in the principal amounts set forth in the following schedule (with each such scheduled principal amount reduced by the principal amount as may have been previously redeemed through the exercise of the District’s reserved right of optional redemption, as provided under “Optional Redemption” below):

\$110,000 Term Bonds Due September 1, 2031		\$175,000 Term Bonds Due September 1, 2034		\$190,000 Term Bonds Due September 1, 2037	
Mandatory Redemption Date	Principal Amount	Mandatory Redemption Date	Principal Amount	Mandatory Redemption Date	Principal Amount
2030	\$ 55,000	2032	\$ 55,000	2035	\$ 60,000
2031 (maturity)	55,000	2033	60,000	2036	65,000
		2034 (maturity)	60,000	2037 (maturity)	65,000

\$130,000 Term Bonds Due September 1, 2039		\$140,000 Term Bonds Due September 1, 2041		\$150,000 Term Bonds Due September 1, 2043	
Mandatory Redemption Date	Principal Amount	Mandatory Redemption Date	Principal Amount	Mandatory Redemption Date	Principal Amount
2038	\$ 65,000	2040	\$ 70,000	2042	\$ 75,000
2039 (maturity)	65,000	2041 (maturity)	70,000	2043 (maturity)	75,000

\$155,000 Term Bonds Due September 1, 2045		\$160,000 Term Bonds Due September 1, 2047	
Mandatory Redemption Date	Principal Amount	Mandatory Redemption Date	Principal Amount
2044	\$ 75,000	2046	\$ 80,000
2045 (maturity)	80,000	2047 (maturity)	80,000

Mandatory Redemption of the Series 2024A Park Term Bonds: The Series 2024A Park Bonds maturing on September 1 in each of the years 2031, 2034 and 2037 (the “Series 2024A Park Term Bonds” and together with the Series 2024 Term Bonds, the “Term Bonds”) shall be redeemed, at a price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption (the “Mandatory Redemption Date”), on September 1 in each of the years and in the principal amounts set forth in the following schedule (with each such scheduled principal amount reduced by the principal amount as may have been previously redeemed through the exercise of the District’s reserved right of optional redemption, as provided under “Optional Redemption” below):

\$160,000 Term Bonds Due September 1, 2031		\$260,000 Term Bonds Due September 1, 2034		\$280,000 Term Bonds Due September 1, 2037	
Mandatory Redemption Date	Principal Amount	Mandatory Redemption Date	Principal Amount	Mandatory Redemption Date	Principal Amount
2030	\$ 80,000	2032	\$ 85,000	2035	\$ 90,000
2031 (maturity)	80,000	2033	85,000	2036	95,000
		2034 (maturity)	90,000	2037 (maturity)	95,000

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 Resolutions. 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 September 1, 2031 prior to their scheduled maturities, in whole or from time to time in part, in integral multiples of \$5,000, on September 1, 2030, or any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption. If fewer than all of the Bonds are to be redeemed, the particular series and maturity or maturities and the amounts thereof to be redeemed shall be determined by the District. If fewer than all of the Bonds of the same series and maturity are to be redeemed, the particular Bonds shall be selected by DTC in accordance with its procedures. See "BOOK-ENTRY-ONLY SYSTEM." Notice of each exercise of the reserved right of optional redemption shall be given by the Paying Agent/Registrar at least thirty (30) calendar days prior to the redemption date, in the manner specified in the Bond Resolutions.

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

Method of Payment of Principal and Interest

In the Bond Resolutions, 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 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 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 (the "Registered Owner") as of the close of business on February 15 or August 15 immediately preceding each Interest Payment Date (defined herein as the "Record Date"), to the address of such Registered Owner as shown on the Paying Agent/Registrar's records (the "Register") or by such other customary banking arrangements as may be agreed upon by the Paying Agent/Registrar and the Registered Owners at the risk and expense of the Registered Owners.

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

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 Resolutions. 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 transferred. See "BOOK-ENTRY-ONLY SYSTEM."

Replacement of Paying Agent/Registrar

Provision is made in the Bond Resolutions 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.

Lost, Stolen or Destroyed Bonds

In the event the Book-Entry-Only System is 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, stolen or destroyed, the District, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall, upon receipt of certain documentation from the Registered Owner and an indemnity bond, execute and the Paying Agent/Registrar shall authenticate and deliver a replacement Bond of like maturity, interest rate and principal amount bearing a number not contemporaneously outstanding. Registered Owners of lost, stolen or destroyed bonds will be required to pay the District's costs to replace such bond. In addition, the District or the Paying Agent/Registrar may require the Registered Owner to pay a sum sufficient to cover any tax or other governmental charge that may be imposed.

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 apply to or which might be utilized by any of such persons or entities to limit the acceptability or suitability of the Bonds for any of the foregoing purposes. Prospective purchasers are urged to carefully evaluate the investment quality of the Bonds as to the suitability or acceptability of the Bonds for investment or collateral purposes.

Issuance of Additional Debt

After issuance of the Series 2024 Bonds, the District will have \$18,770,000 principal amount of unlimited tax bonds authorized but unissued for the purpose of acquiring or constructing water, sanitary sewer and drainage facilities and refunding such bonds. After the issuance of the Series 2024A Park Bonds, the District will have \$3,730,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing parks and recreational facilities and refunding such bonds. In addition, the District also has \$17,840,000 principal amount of unlimited tax road bonds for the purpose of constructing roads and related improvements and refunding such bonds authorized but unissued. The Bond Resolution imposes no limitation on the amount of additional parity bonds which may be authorized for issuance by the District’s voters, or the amount ultimately issued by the District. The District also is authorized by statute to engage in fire-fighting activities, including the issuing of bonds payable from taxes for such purpose. Before the District could issue such bonds, the following actions would be required: (a) approval of a detailed fire plan by the Commission; (b) authorization of the detailed fire plan and bonds for such purpose by the qualified voters in the District; (c) approval of the bonds by the Commission; and (d) approval of bonds by the Attorney General of Texas. The Board has not considered preparing a fire plan or calling an election at this time for such purposes. The District currently has a Fire Protection Agreement with the City.

The District is authorized by statute to construct park and recreational facilities, including the issuing of bonds payable from taxes for such purpose. If the District does issue additional parks bonds, the outstanding principal amount of such bonds may not exceed an amount equal to one percent (1%) of the District’s certified taxable assessed valuation, unless, 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.

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

Strategic Partnership Agreement

The District has entered into a Strategic Partnership Agreement (the “SPA”) with the City of Sugar Land to define the terms of annexation by the City. Under the SPA, the City agrees not to annex the District for full purposes until at least 90% of the developable acreage within the District has been developed and the Developer has been reimbursed to the maximum extent permitted by law. Under the SPA, the City of Sugar Land must give the District one year’s notice of full annexation after conditions are met. When the District is annexed for full purposes, the District will be dissolved and the City of Sugar Land will assume any debt. However, in lieu of dissolution, the District may exist as a limited district to serve certain limited purposes at the direction of the City. In connection with the SPA, the District entered into a Groundwater Reduction Plan Participation Agreement with the City of Sugar Land for the District’s participation in the City of Sugar Land’s Groundwater Reduction Plan for compliance with Fort Bend Subsidence District groundwater reduction requirements. The City will also provide fire protection services to the District at a monthly rate pursuant to a Fire Protection Agreement.

Annexation

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

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

Dissolution of the District

Under Texas law, the District may be dissolved by the City of Sugar Land without the District's consent.

If the District is dissolved, the City of Sugar Land will assume the District's assets and obligations (including the Bonds) and dissolve the District within ninety (90) days thereafter. Prior to dissolution by the City of Sugar Land, the District shall have the opportunity to discharge any obligations of the District by selling its bonds or by causing the City of Sugar Land to sell bonds of the City of Sugar Land in an amount necessary to discharge such obligations. Dissolution of the District by the City of Sugar Land is a policymaking matter within the discretion of the Mayor and the City Council of the City of Sugar Land. Moreover, no representation is made concerning the ability of the City of Sugar Land to make debt service payments should dissolution occur. See “—Remedies in Event of Default” below.

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.

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 Resolutions 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.

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 Resolutions, or defaults in the observance or performance of any other covenants, conditions, or obligations set forth in the Bond Resolutions, 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 Resolutions. Except for mandamus, the Bond Resolutions do 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. In the absence of other waivers of such immunity by the Texas Legislature, a default by the

District in its covenants in the Bond Resolutions may not be reduced to a judgment for money damages. If such a judgment against the District were obtained, it could not be enforced by direct levy and execution against the District's property. Further, the Registered Owners cannot themselves foreclose on property within the District or sell property within the District to enforce the tax lien on taxable property to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the Registered Owners may further be limited by a State of Texas statute reasonably required to attain an important public purpose or by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions, such as the District. See "INVESTMENT CONSIDERATIONS—Registered Owners' Remedies and Bankruptcy Limitations."

Defeasance

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

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

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

BOOK-ENTRY-ONLY SYSTEM

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

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds 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. One fully-registered Bond certificate will be issued for each series and maturity of the Bonds, each in the aggregate principal amount of such series and 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 from S&P Global Ratings of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not 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 Initial Purchaser take any responsibility for the accuracy thereof.

THE DISTRICT

General

Fort Bend County Municipal Utility District No. 192 (the "District") is a municipal utility district created under Article XVI, Section 59 of the Texas Constitution by Senate Bill 994, as passed by the 81st Texas Legislature on June 19, 2009, and operates under the provisions of Chapter 8330 of the Texas Special District Local Laws Code, Chapters 49 and 54 of the Texas Water Code, as amended, and other general statutes applicable to municipal utility districts. The District is located wholly within the extraterritorial jurisdiction of the City of Sugar Land, Texas ("Sugar Land" or the "City").

The District is empowered, among other things, to purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the supply and distribution of water; the collection, transportation, and treatment of wastewater; and the control and diversion of storm water. The District may issue bonds and other forms of indebtedness to purchase or construct such facilities. The District is also empowered to establish parks and recreational facilities for the residents of the District, to contract for or employ its own peace officers and, after approval by the Commission and the voters of the District, to establish, operate, and maintain fire-fighting facilities, independently or with one or more conservation and reclamation districts. Additionally, the District is empowered to purchase, construct, and maintain roads and related improvements permitted under the Texas Water Code, and issue bonds for such roads.

The Commission exercises continuing supervisory jurisdiction over the District. The District is required to observe certain requirements of the City of Sugar Land, Texas which, along with Texas law, limit the purposes for which the District may sell bonds for the acquisition, construction, and improvement of waterworks, wastewater, drainage, road, recreational, and fire-fighting facilities and the refunding of outstanding debt obligations; limit the net effective interest rate on such bonds and other terms of such bonds; and require certain public facilities to be designed in accordance with applicable City standards. Construction and operation of the District's system are subject to the regulatory jurisdiction of additional government agencies. See "WATER SUPPLY AND WASTEWATER TREATMENT SYSTEM."

Location of District

The District contains approximately 100 acres of land and intends to annex approximately 6 acres of land into the boundaries of the District. The City of Sugar Land has approved such annexation, but the District has not taken official action to finalize the annexation at this time. The District is located approximately 30 miles southwest of the Central Business District of Houston in Fort Bend County, Texas and east of Macek Road, north of FM 2759 Road, and south of Greatwood Bend Subdivision. Residents gain access to the area within the District from Macek Road and FM 2759 Road. The entire District lies within the extraterritorial jurisdiction of the City of Sugar Land, Texas and the Lamar Consolidated Independent School District. See "AERIAL PHOTOGRAPH."

Land Use

The District was developed as Greatwood Lake, a single-family residential community. Development of Greatwood Lake began in 2016. The District currently includes approximately 99 developed acres of single-family residential development (258 lots), and all developable land in the District has been provided with water distribution, wastewater collection, and drainage facilities. The table below represents a detailed breakdown of the current acreage and development in the District.

<u>Single-Family Residential</u>	Approximate	Lots
Greatwood Lake:	<u>Acres</u>	<u> </u>
Section 1.....	49	116
Section 2A.....	28	76
Section 2B.....	14	52
Section 3.....	9	14
Subtotal.....	<u>99</u>	<u>258</u>
<i>Recreation Centers/Parks and Open Spaces (a)</i>	1	---
<i>Future Development</i>	0	---
<i>Non-Developable (b)</i>	0	---
	<u>100</u>	<u>258</u>

- (a) A 1.5 acre amenity center tract was platted separately and developed with a recreational pool, playground equipment, covered area and bathrooms, and an approximate 2 acre tract was platted with a single-family plat and has been developed as a pocket park.
- (b) Approximately 18 acres were platted with single-family residential plats and are restricted to drainage, landscape and open space purposes and are undevelopable.

Status of Development

Single-Family Residential: As of April 11, 2024, the District consisted of 258 completed homes (257 occupied). The average home value based on the District’s 2023 Certified Taxable Assessed Valuation was \$423,000.

Community Facilities: In addition to the development described above, the District has a pocket park and walking trails around the pocket park and detention pond. An amenity center consisting of a recreational pool, playground equipment, covered area, and bathroom has been constructed on approximately 1.5 acres of land in the District and a pocket park has been constructed on approximately 2 acres of land included in the subdivision plats in the District.

Community facilities are available in the general vicinity of the District. Neighborhood shopping facilities, including supermarkets, pharmacies, cleaners, restaurants, banking facilities, and other retail and service establishments, are located within two miles of the District along and adjacent to US Highway 69. Fire protection is provided by the City of Sugar Land. Police protection is provided by Fort Bend County. Children residing within the District attend nearby schools within the Lamar Consolidated Independent School District.

MANAGEMENT

Board of Directors

The District is governed by the Board of Directors, consisting of five directors, which has control over and management supervision of all affairs of the District. One of the Directors listed below resides within the District, and the other Directors own a small parcel of land within the District subject to a Note and Deed of Trust in favor of the Developer. Directors are elected by the voters within the District for four-year staggered terms. Director elections are held only in even numbered years. The Directors of the District are listed below:

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Darrell Kainer	President	May 2026
Erin B. Ring	Vice President	May 2028
William D. Kee III	Secretary	May 2026
Matt Klein	Asst. Vice President	May 2028
Julio C. Triana	Asst. Secretary	May 2028

District Consultants

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

Tax Assessor/Collector

Land and improvements within the District are appraised for ad valorem taxation purposes by Fort Bend Central Appraisal District. The District's contracts with Tax Tech, Inc. to serve as Tax Assessor/Collector.

Bookkeeper

The District has engaged Myrtle Cruz, Inc. to serve as the District's bookkeeper.

System Operator

The District contracts with Si Environmental, LLC for maintenance and operation of the District's system.

Engineer

The consulting engineer for the District in connection with the design and construction of the District's facilities is Quiddity Engineering, LLC (the "Engineer").

Attorney

The District engages Allen Boone Humphries Robinson LLP as general counsel and as Bond Counsel in connection with the issuance of the Bonds. The legal fees to be paid 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 on the sale and delivery of the Bonds.

Financial Advisor

Masterson Advisors LLC (the "Financial Advisor") serves as financial advisor to the District. The fees to be paid the Financial Advisor 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 on the sale and delivery of the Bonds.

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.

Auditor

As required by the Texas Water Code, the District retains an independent auditor to audit the District's financial statements annually, which annual audit is filed with the TCEQ. The District's financial statements for the fiscal year ending February 28, 2023, were audited by the independent accounting firm of McGrath & Co., PLLC. The District has engaged McGrath & Co., PLLC to audit its financial statements for the fiscal year ending February 29, 2024. See "APPENDIX A" for a copy of the audited financial statements of the District as of February 28, 2023.

THE DEVELOPER

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.

Prospective Bond purchasers should note that the prior real estate experience of a developer should not be construed as an indication that further development within a district will occur, or that construction of taxable improvements upon property within a district will occur, or that marketing or leasing of taxable improvements constructed upon property within the District will be successful.

Pointe Greatwood, LLC

The developer of the residential land within the District is Pointe Greatwood, LLC, a Texas limited liability company (the "Developer") created for the sole purpose of developing the land in the District. The managing member of the Developer is Pointe Land & Development, LLC, a Texas limited liability company. With the consent of the District and pursuant to a development financing agreement, the Developer has financed and, subject to certain conditions, is entitled to be reimbursed by the District for the design and construction of certain water, sanitary sewer, drainage, road and recreational facilities.

Neither the Developer nor any of its affiliates, is obligated to pay principal of or interest on the Bonds. Furthermore, the Developer does not have a binding commitment to the District to carry out any plan of development and the Developer may sell or otherwise dispose of its property within the District, or any other assets, at any time, and the furnishing of information relating to the proposed development by the Developer should not be interpreted as such a commitment. Prospective purchasers are encouraged to inspect the District in order to acquaint themselves with the nature of development that has occurred or is occurring within the boundaries of the District. See "INVESTMENT CONSIDERATIONS."

ROAD SYSTEM

A portion of the outstanding Bond proceeds were used to finance the construction and paving of Macek Road, Magnolia Trail Lane, and Arbor Ranch Drive within the District.

All roadways are designed and constructed in accordance with Fort Bend County (the "County") and City of Sugar Land, Texas standards, rules and regulations. Upon acceptance by the County or the Texas Department of Transportation ("TxDOT"), as applicable, of roadways or roadway facilities, the County or TxDOT, as applicable, is responsible for operation and maintenance thereof.

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).

WATER SUPPLY AND WASTEWATER TREATMENT SYSTEM

Regulation

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

Water Supply and Wastewater Treatment

The District currently obtains its water supply and wastewater treatment from the City of Sugar Land (the "City") following the annexation and dissolution of the Greatwood Districts, including Fort Bend County Municipal Utility District No. 106 ("MUD No. 106") in its capacity as master district (the "Master District") to the participating districts in the system (the "Greatwood Districts"). The District was previously served by the Master District under the Contract for Financing, Operation and Maintenance of Regional Water, Wastewater, and Storm Sewer Facilities dated November 15, 2012, as amended (the "Master District Contract"). Following the annexation and dissolution of the Master District, the City and the District entered into a Water Supply and Wastewater Services Agreement which was approved on February 2, 2019, under which the Master District Contract was terminated, and the District is being served as an out of city wholesale customer of the City.

The Water Supply and Wastewater Treatment facilities, which are now operated by the City as City facilities, include the following water supply facilities: (i) three 1,500 and one 1,340 gallons-per-minute ("g.p.m.") water wells, (ii) pumps aggregating 10,750 g.p.m., (iii) one 500,000 ground storage tank and one 1,000,000-gallon ground storage tank, (iv) one 30,000 gallon hydropneumatic tank and one 10,000 gallon hydropneumatic tank, and (v) an auxiliary power source. The Master District previously financed an emergency water interconnection line connecting the Master District's water supply and distribution system with the water supply and distribution system of the adjoining Plantation Municipal Utility District ("Plantation MUD"). Fort Bend County Municipal Utility District No. 116 also constructed an emergency water interconnection line with the Master District's water supply and distribution system. According to the City, such water supply facilities provide sufficient capacity to serve the approximate total of 4,615 ESFC for the Greatwood development, including the District.

The District currently obtains wastewater treatment through the City pursuant to the Water Supply and Wastewater Services Agreement as outlined above. The Master District's permanent wastewater treatment plant, now operated by the City, which currently contains 1,350,000 gallons-per-day capacity, has the ability to serve the total of 4,615 equivalent single-family connections projected for the Greatwood development, including the District upon its full development.

Subsidence and Conversion to Surface Water Supply: The Fort Bend Subsidence District (Subsidence District) was created by the Texas Legislature in 1989. In 2003, the Subsidence District adopted its District Regulatory Plan, and in 2013 the Subsidence District adopted its 2013 Regulatory Plan (Regulatory Plan) to reduce subsidence by regulating the withdrawal of Groundwater within Fort Bend County.

The Regulatory Plan requires groundwater permit holders to limit their groundwater withdrawals to seventy percent of their total water demand by 2014 and forty percent by 2025. A groundwater reduction plan showing how water conversion goals will be accomplished must be submitted by each groundwater permit holder to the Subsidence District. The City has developed a regional Groundwater Reduction Plan (GRP) that meets the Regulatory Plan requirements, which includes participants such as municipal utility districts and communities in the City's extraterritorial jurisdiction (ETJ) and certain private well owners in the City and the ETJ.

The District is a groundwater well permit holder who operates a make-up well permitted by the Subsidence District as of April 2017. As a groundwater well permit holder, the District is required to reduce its groundwater withdrawals and convert a portion of its water supply requirement to an Alternative Water Supply in accordance with the Regulatory Plan.

On March 1, 2017, as required by its SPA with the City, the District entered into a Groundwater Reduction Plan Participation Agreement with the City. Beginning on such date, the District will pay the City, as the GRP Administrator, pumpage fees for water pumped from the well owned by the District, which the City will deposit into its surface water fund in accordance with the GRP. The current pumpage fee that is charged by the City as GRP Administrator is currently \$4.28 per 1,000 gallons of groundwater pumped by the permitted well, plus a 20% out of City service charge. The pumpage fee is expected to increase from time to time at the City's sole discretion.

The District cannot predict the amount or level of fees and charges, which may be due the Authority in the future, but anticipates the need to continue passing such fees through to its customers: (i) through higher water rates and/or (ii) with portions of maintenance tax proceeds, if any. No representation is made that the Authority or the City: (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.

100-Year Flood Plain: "Flood Insurance Rate Map" or "FIRM" means an official map of a community on which the Federal Emergency Management Agency ("FEMA") has delineated the appropriate areas of flood hazards. The 1% chance of probable inundation, also known as the 100-year flood plain, is depicted on these maps. The "100-year flood plain" (or 1% chance of probable inundation) as shown on the FIRM is the estimated geographical area that would be flooded by a rainstorm 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 no assurance that homes built in such area will not be flooded. The District's drainage system has been designed and constructed to all current standards.

According to the Engineer, approximately 16 acres of land within the District are located within the 100-year flood plain as designated by the most recent FEMA FIRM 48157C0270L dated April 2, 2014. Of such acreage, approximately 9 acres has been developed as single-family residential using fill dirt to bring the land out of the 100-year flood plain and upon filing a Letter of Map Revision based on Fill (LOMR-F). The lots were removed from Zone "AE" by the LOMR-F Case No. 19-06-0342A dated December 17, 2018. The remaining acreage is a part of the 18 acres platted with the single-family residential plats and restricted to drainage, landscape and open space purposes, which will remain in the flood plain and will not be developed.

In 2018, the National Weather Service completed a rainfall study known as National Oceanic and Atmospheric Administration ("NOAA") Atlas 14, Volume 11 Precipitation-Frequency Atlas of for United States ("Atlas 14"). Floodplain boundaries within the District may be redrawn based on the Atlas 14 study based on a higher statistical rainfall amount, resulting in interim floodplain regulations applying to a larger number of properties. Such regulations could additionally result in higher insurance rates, increased development fees, and stricter building codes for any property located within the expanded boundaries of the floodplain. At this time, all developable property has been developed.

THE PARK SYSTEM

The District prepared and approved a Master Park Plan, as may be amended from time to time. The Master Park Plan outlines projects related to parks and recreational facilities within the District. The Developer has constructed certain park and recreational facilities within the District. Proceeds of the Series 2024A Bonds will be used to reimburse the Developer for several recreational facility projects, including but not limited to the amenity portions of certain detention ponds, sidewalks, landscaping, hardscaping, and related appurtenances, located within the District on District-owned property or within public rights-of-way. See "USE AND DISTRIBUTION OF BOND PROCEEDS" for a detailed description of the use of bond proceeds.

USE AND DISTRIBUTION OF BOND PROCEEDS

The construction costs below were compiled by Quiddity Engineering, LLC, the District’s engineer (the “Engineer”) and were submitted to the TCEQ in the District's Bond Application. Non-construction costs are based upon either contract amounts or estimates of various costs by the Engineer and Masterson Advisors LLC (the “Financial Advisor”). The actual amounts to be paid by the District and the non-construction costs will be finalized after the sale of the Bonds. The surplus funds may be expended for any lawful purpose for which surplus construction funds may be used, if approved by the TCEQ, where required.

SERIES 2024 BONDS

CONSTRUCTION COSTS

Greatwood Lake, Sections 2B and 3 Water, Sewer & Drainage....	\$	555,850
Greatwood Lake, Clearing, Grubbing and Demolition.....		70,698
Engineering.....		425,026
Less: Surplus Funds Applied.....		<u>(201,400)</u>

Total Construction Costs **\$ 850,174**

NON-CONSTRUCTION COSTS

Legal Fees.....	\$	43,950
Financial Advisory Fees.....		29,300
Developer Interest (Estimated).....		294,831
Capitalized Interest (Six (6) Months) (a).....		34,153
Bond Discount (a).....		43,657
Operating Expenses.....		71,053
Bond Issuance Expense.....		61,922
Bond Application Report.....		22,573
TCEQ Fee (0.25%).....		3,663
Attorney General Fee.....		1,465
Contingency (a).....		<u>8,259</u>

Total Non-Construction Costs **\$ 614,826**

TOTAL BOND ISSUE **\$ 1,465,000**

(a) Contingency represents the difference in the estimated and actual amounts of capitalized interest and Bond discount.

SERIES 2024A PARK BONDS

CONSTRUCTION COSTS

Greatwood Lake, Phase 1 Amenity Improvements	\$	876,509
Greatwood Lake Recreational Center Amenity Improvements		520,120
Landscape Architecture Fees		87,151

Total Construction Costs **\$ 1,483,780**

NON-CONSTRUCTION COSTS

Legal Fees	\$	65,100
Financial Advisory Fees		43,400
Developer Interest (Estimated).....		326,504
Capitalized Interest (Six (6) Months) (a).....		50,188
Bond Discount (a).....		65,088
Bond Issuance Expenses.....		59,108
Operating Expenses.....		28,948
Bond Application Report.....		28,077
TCEQ Fee (0.25%).....		5,425
Attorney General Fee.....		2,170
Contingency (a).....		12,212

Total Non-Construction Costs **\$ 686,220**

TOTAL BOND ISSUE **\$ 2,170,000**

(a) Contingency represents the difference in the estimated and actual amounts of capitalized interest and Bond discount.

In the event approved estimated amounts exceed actual costs, the difference comprises the contingency line item which may be expended for uses in accordance with the rules of the TCEQ.

Future Debt

The Developer has financed the engineering and construction costs of water, sanitary sewer and drainage, road and park facilities to serve Greatwood Lake as well as certain other District improvements. After reimbursement from the Bonds, the Developer will be fully reimbursed for design, construction and acquisition of District water, sanitary sewer and drainage, road and park facilities.

UNLIMITED TAX BONDS AUTHORIZED BUT UNISSUED

<u>Date of Authorization</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>Issued to Date</u>	<u>Amount Unissued</u>
11/05/2013	Water, Sanitary Sewer and Drainage (“WS&D”) and Refunding of WS&D Bonds	\$28,600,000	\$9,830,000*	\$18,770,000*
11/05/2013	Recreational and Refunding of Recreational Bonds	\$5,900,000	\$2,170,000**	\$3,730,000**
11/05/2013	Roads and Refunding of Road Bonds	\$20,150,000	\$2,310,000	\$17,840,000

* Includes the Series 2024 Bonds.
 ** Includes the Series 2024A Park Bonds.

FINANCIAL STATEMENT

2023 Certified Taxable Assessed Valuation.....	\$109,456,169 (a)
2024 Preliminary Taxable Assessed Valuation.....	\$119,794,425 (b)

Gross Direct Debt Outstanding (the Bonds and the Outstanding Bonds)..... \$13,630,000

Ratios of Gross Direct Debt to:

2023 Certified Taxable Assessed Valuation.....	12.45%
2023 2024 Preliminary Taxable Assessed Valuation.....	11.38%

Area of District — 100 acres
Estimated 2024 Population — 900 (c)

- (a) As certified by the Fort Bend Central Appraisal District (the "Appraisal District"). See "TAX PROCEDURES."
- (b) Provided by the Appraisal District as a preliminary indication of the 2024 taxable value (as of January 1, 2024). Such amount is subject to property owner protest, review and downward adjustment prior to certification. No tax will be levied on such an amount until it is certified. See "TAX PROCEDURES."
- (c) Estimate based on 3.5 persons per occupied single-family connection.

Cash and Investment Balances (unaudited as of May 1, 2024)

General Fund	Cash and Temporary Investments	\$1,105,120
Debt Service Fund	Cash and Temporary Investments	\$1,051,492 (a)
Capital Projects Fund	Cash and Temporary Investments	\$ 240,173 (b)
Road Debt Service Fund	Cash and Temporary Investments	\$ 227,936 (c)
Road Capital Projects Fund	Cash and Temporary Investments	\$ 48,324

- (a) Funds in the Debt Service Fund are available to pay debt service on the District's bonds issued for water, sanitary sewer, and drainage and parks and recreational facilities (including the Bonds) and are not available to pay debt service on the District's bonds issued for road facilities. Neither Texas law nor any bond resolution (including the Bond Resolutions) requires the District to maintain any minimum balance in the Debt Service Fund.
- (b) The District intends to apply \$201,400 in surplus funds to the issuance of the Series 2024 Bonds. See "USE AND DISTRIBUTION OF BOND PROCEEDS."
- (c) Funds in the Road Debt Service Fund are available to pay debt service on the District's bonds issued for road facilities and are not available to pay debt service on the District's bonds issued for water, sanitary sewer, and drainage and parks and recreational facilities (including the Bonds). Neither Texas law nor any bond resolution requires the District to maintain any minimum balance in the Road Debt Service Fund.

Outstanding Bonds (as of May 1, 2024)

Series	Original Principal Amount	Outstanding Bonds 5/1/2024
2017 Road	\$ 1,500,000	\$ 1,275,000
2018	2,150,000	1,910,000
2020 Road	810,000	705,000
2022	1,765,000	1,655,000
2023	4,450,000	4,450,000
Total	\$ 10,675,000	\$ 9,995,000

ESTIMATED OVERLAPPING DEBT STATEMENT

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

Taxing Jurisdiction	Outstanding Bonds	As of	Overlapping	
			Percent	Amount
Fort Bend County	\$ 876,570,455	4/30/2024	0.10%	\$ 876,570
Lamar Consolidated ISD	2,800,355,000	4/30/2024	0.39%	10,921,385
Fort Bend County Drainage District	22,655,000	4/30/2024	0.10%	<u>22,655</u>
Total Estimated Overlapping Debt				\$ 11,820,610
The District	13,630,000 (a)	Current	100.00%	<u>13,630,000</u>
Total Direct and Estimated Overlapping Debt				\$ 25,450,610
Ratio of Direct and Estimated Overlapping Debt to 2023 Certified Taxable Assessed Valuation				23.25%
Ratio of Direct and Estimated Overlapping Debt to the 2024 Preliminary Taxable Assessed Valuation				21.25%

(a) Includes the Bonds and the Outstanding Bonds.

Overlapping Tax Rates for 2023

	2023 Tax Rate per \$100 of Taxable <u>Assessed Valuation</u>
Fort Bend County (including Drainage District)	\$ 0.438900
Lamar Consolidated ISD	<u>1.149200</u>
Total Overlapping Tax Rate	\$ 1.588100
The District (a)	<u>1.430000</u>
Total Tax Rate	\$ 3.018100

(a) See "TAX DATA—Tax Rate Distribution."

TAX DATA

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. Values shown in table below may differ throughout due to timing of reports. See "—Tax Roll Information" herein.

Tax Year	Taxable Assessed Valuation	Tax Rate	Total Tax Levy	Total Collections as of April 30, 2024 (a)	
				Amount	Percent
2019	\$ 33,339,994	1.500	\$ 500,100	\$ 500,100	100.00%
2020	43,427,449	1.500	651,412	651,412	100.00%
2021	59,128,656	1.500	886,930	886,930	100.00%
2022	78,416,537	1.450	1,137,040	1,137,040	100.00%
2023	109,456,169	1.430	1,568,586	1,544,280	98.45%

(a) Reflects unaudited collections.

Tax Rate Distribution

	2023	2022	2021	2020	2019
Debt Service	\$ 0.900	\$ 0.830	\$ 0.700	\$ 0.680	\$ 0.720
Maintenance and Operations	0.530	0.620	0.800	0.820	0.780
Total	\$ 1.430	\$ 1.450	\$ 1.500	\$ 1.500	\$ 1.500

Tax Rate Limitations

Debt Service: Unlimited (no legal limit as to rate or amount).
 Maintenance and Operations: \$1.50 per \$100 of taxable assessed valuation.
 Maintenance and Operations for Roads: \$0.25 per \$100 of taxable assessed valuation.

Debt Service Tax

The Board covenants in the Bond Resolutions 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 levied a debt service tax for 2023 in the amount of \$0.90 per \$100 of taxable assessed valuation.

Maintenance and Operations Tax

The Board of Directors of the District has the statutory authority to levy and collect an annual ad valorem tax for maintenance of the District's improvements, if such maintenance tax is authorized by vote of the District's electors. On November 5, 2013, the Board was authorized to levy such a maintenance tax in an amount not to exceed \$1.50 per \$100 of assessed valuation and to also levy a maintenance tax for operation and maintenance of roads in an amount not to exceed \$0.25 per \$100 of assessed valuation. Such maintenance taxes are in addition to taxes which the District is authorized to levy for paying principal of and interest on the District's bonds. For the 2023 tax year, the District levied a tax for maintenance and operations in the amount of \$0.53 per \$100 assessed valuation.

Tax Exemptions

As discussed in the section titled "TAX PROCEDURES" herein, certain property in the District may be exempt from taxation by the District. For 2024, the District has adopted an exemption of \$20,000 of the appraised value of a residential homestead of persons who are disabled or 65 years of age or older.

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.

Summary of Assessed Valuation

The following summary of the 2023, 2022 and 2021 Certified Taxable Assessed Valuations are provided by the District's Tax Assessor/Collector based on information provided by the Appraisal District and contained in the 2023, 2022 and 2021 certified tax rolls of the District. Differences in totals may vary slightly from other information herein due to differences in dates of data. An accurate breakdown related to the 2024 Preliminary Taxable Assessed Valuation is not available from the Appraisal District as of the date hereof.

	2023 Taxable Valuation	2022 Taxable Valuation	2021 Taxable Valuation
Land	\$ 24,419,239	\$ 22,472,390	\$ 18,091,000
Improvements	88,638,189	57,576,961	42,007,282
Personal Property	373,763	283,310	219,090
Exemptions	(3,975,022)	(1,916,124)	(1,188,716)
Total	<u>\$ 109,456,169</u>	<u>\$ 78,416,537</u>	<u>\$ 59,128,656</u>

Principal Taxpayers

The following list of principal taxpayers was provided by the District's tax assessor/collector and represents the principal taxpayers' value as a percentage of the 2023 Certified Taxable Assessed Valuation of \$109,456,169. This represents ownership as of January 1, 2023. An accurate principal taxpayer list related to the 2024 Preliminary Taxable Assessed Valuation is not available from the Appraisal District as of the date hereof.

<u>Taxpayer</u>	<u>Type of Property</u>	<u>2023 Certified Taxable Assessed Valuation</u>	<u>% of 2023 Certified Taxable Assessed Valuation</u>
Camillo ML 2022 TRM SRF LLC (a)	Land & Improvements	\$ 3,049,664	2.79%
Individual (a)	Land & Improvements	914,646	0.84%
Individual	Land & Improvements	590,867	0.54%
Individual	Land & Improvements	578,745	0.53%
Individual	Land & Improvements	578,059	0.53%
Individual	Land & Improvements	567,709	0.52%
Individual	Land & Improvements	560,313	0.51%
Individual	Land & Improvements	557,748	0.51%
Individual	Land & Improvements	548,180	0.50%
Individual	Land & Improvements	547,129	0.50%
Total		<u>\$ 8,493,060</u>	<u>7.76%</u>

(a) Collectively, consists of approximately 9 single-family homes leased to residents of the District. See "INVESTMENT CONSIDERATIONS—Rental Homes."

Tax Adequacy for Debt Service

The calculations shown below assume, solely for purposes of illustration, no increase or decrease in assessed valuation over the 2023 Certified Taxable Assessed Valuation of \$109,456,169 or 2024 Preliminary Taxable Assessed Valuation of \$119,794,425, no use of available funds, and utilize tax rates necessary to pay the District's average annual debt service requirements and maximum annual debt service requirements on the Outstanding Bonds and the Bonds.

Average annual debt service requirement (2025-2047)	\$857,855
\$0.83 tax rate on the 2023 Certified Taxable Assessed Valuation	
of \$109,456,169 at a 95% collection rate produces	\$863,062
\$0.76 tax rate on the 2024 Preliminary Taxable Assessed Valuation	
of \$119,794,425 at a 95% collection rate produces	\$864,916
Maximum annual debt service requirement (2025)	\$1,032,625
\$1.00 tax rate on the 2023 Certified Taxable Assessed Valuation	
of \$109,456,169 at a 95% collection rate produces	\$1,039,834
\$0.91 tax rate on the 2024 Preliminary Taxable Assessed Valuation	
of \$119,794,425 at a 95% collection rate produces	\$1,035,623

No representation or suggestion is made that the 2024 Preliminary Taxable Assessed Valuation will not be adjusted downward by the Appraisal District prior to certification and no person should rely upon such amount or its inclusion herein as assurance of its attainment. See "TAX PROCEDURES."

TAX 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 Outstanding Bonds, the Bonds and any additional bonds payable from taxes which the District may hereafter issue (see "INVESTMENT CONSIDERATIONS—Future Debt") and to pay the expenses of assessing and collecting such taxes. The District agrees in the Bond Resolutions to levy such a tax from year to year as described more fully herein under "THE BONDS—Source of and Security for Payment." Under Texas law, the Board may also levy and collect an annual ad valorem tax for the operation and maintenance of the District and for the payment of certain contractual obligations. See "TAX DATA—Debt Service 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 County Appraisal Review Board (the "Appraisal Review Board").

Property Subject to Taxation by the District

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

exemption for the full amount of the veteran's residential homestead. Additionally, subject to certain conditions, the surviving spouse of a disabled veteran who is entitled to an exemption for the full value of the veteran's residence homestead is also entitled to an exemption from taxation of the total appraised value of the same property to which the disabled veteran's exemption applied. A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran's disability rating if the residence homestead was donated by a charitable organization. Also, the surviving spouse of a member of the armed forces who was killed or fatally injured in the line of duty is, subject to certain conditions, entitled to an exemption of the total appraised value of the surviving spouse's residence homestead and, subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse. The surviving spouse of a first responder who was killed or fatally injured in the line of duty is, subject to certain conditions, also entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and, subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse. See "TAX DATA."

Residential Homestead Exemptions: The Property Tax Code authorizes the governing body of each political subdivision in the State of Texas to exempt up to twenty percent (20%) of the appraised value of residential homesteads from ad valorem taxation. Where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged, if the cessation of the levy would impair the obligations of the contract by which the debt was created. The adoption of a homestead exemption may be considered each year, but must be adopted before July 1. 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 of Sugar Land may designate all or part of the area within the District as a reinvestment zone. Thereafter, Fort Bend County, the District and the City of Sugar Land, under certain circumstances, may enter into tax abatement agreements with owners of property within the zone. Prior to entering into a tax abatement agreement, each entity must adopt guidelines and criteria for establishing tax abatement, which each entity will follow in granting tax abatement to owners of property. The tax abatement agreements may exempt from ad valorem taxation by each of the applicable taxing jurisdictions, including the District, for a period of up to ten (10) years, all or any part of any increase in the appraised valuation of property covered by the agreement over its appraised valuation in the year in which the agreement is executed, on the condition that the property owner make specified improvements or repairs to the property in conformity with the terms of the tax abatement agreement. Each taxing jurisdiction has discretion to determine terms for its tax abatement agreements without regard to the terms approved by the other taxing jurisdictions.

Valuation of Property for Taxation

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

Nevertheless, certain land may be appraised at less than market value under the Property Tax Code. In November 1997, Texas voters approved a constitutional amendment to limit increases in the appraised value of residence homesteads to ten percent (10%) annually regardless of the market value of the property. The Property Tax Code permits land designated for agricultural use, open space or timberland to be appraised at its value based on the land's capacity to produce agricultural or timber products rather than at its fair market value. The Property Tax Code permits under certain circumstances that residential real property inventory held by a person in the trade or business be valued at the price all such property would bring if sold as a unit to a purchaser who would continue the business. Provisions of the Property Tax Code are complex and are not fully summarized here. Landowners wishing to avail themselves of the agricultural use, open space or timberland designation or residential real property inventory designation must apply for the designation and the appraiser is required by the Property Tax Code to act on each claimant's right to the designation individually. A claimant may waive the special valuation as to taxation by some political subdivisions while claiming it as to another. If a claimant receives the agricultural use, open space or timberland 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.

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

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

District and Taxpayer Remedies

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

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

Levy and Collection of Taxes

The District is responsible for the levy and collection of its taxes unless it elects to transfer such functions to another governmental entity. The rate of taxation is set by the Board of Directors, after the legally required notice has been given to owners of property within the District, based upon: a) the valuation of property within the District as of the preceding January 1, and b) the amount required to be raised for debt service, maintenance purposes and authorized contractual obligations. Taxes are due October 1, or when billed, whichever comes later, and become delinquent if not paid before February 1 of the year following the year in which imposed. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%) regardless of the number of months the tax has been delinquent and incurs an additional penalty for collection costs of an amount established by the District and a delinquent tax attorney. A delinquent tax on personal property incurs an additional penalty, in an amount established by the District and a delinquent tax attorney, 60 days after the date the taxes become delinquent. 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 continue to accrue during the period of deferral.

Certain qualified taxpayers, including owners of residential homesteads, located within a natural disaster area and whose property has been damaged as a direct result of the disaster, 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.

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 90% 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 2023. The District cannot give any assurances as to what its classification will be at any point in time or whether the District's future tax rates will result in a total tax rate that will reclassify the District into a new classification and new election calculation.

District's Rights in the Event of Tax Delinquencies

Taxes levied by the District are a personal obligation of the owner of the property as of January 1 of the year for which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all state and local taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of the State of Texas and each local taxing unit, including the District, having power to tax the property. The District's tax lien is on a parity with tax liens of such other taxing units. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Overlapping Tax Rates for 2023." 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 amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, by taxpayer redemption rights or by bankruptcy proceedings which restrict the collection of taxpayer debts. A taxpayer may redeem property within twenty-four (24) months for commercial property and two (2) years for residential and all other types of property after the purchaser's deed issued at the foreclosure sale is filed in the county records. See "INVESTMENT CONSIDERATIONS—Tax Collection Limitations."

WATER AND SEWER 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 operation of the District's water and sewer operations are not pledged to the payment of the Bonds but are available for any lawful purpose including payment of debt service on the Bonds and the Outstanding Bonds, at the discretion and upon action of the Board. It is not anticipated that any significant revenues will be available for the payment of debt service on the Bonds or the Outstanding Bonds.

Waterworks and Sewer System Operating Statement

The following statement sets forth in condensed form the historical results of operation of the District's General Fund. Accounting principles customarily employed in the determination of net revenues have been observed and in all instances exclude depreciation. Such summary is based upon information obtained from the District's audited financial statements for fiscal years ended February 28, 2020 through 2023 and an unaudited summary for the fiscal year ended February 29, 2024, as provided by the District's bookkeeper. Reference is made to such statements and records for further and more complete information.

	Fiscal Year Ended February 28/29				
	2024 (a)	2023	2022	2021	2020
Revenues					
Property Taxes	\$ 552,582	\$ 489,127	\$ 468,485	\$ 355,049	\$ 220,726
Water Service	114,032	106,222	73,498	75,257	50,102
Sewer Service	71,113	67,696	44,807	35,879	26,760
Fire Service	62,315	67,838	50,437	41,876	30,965
Penalties and Interest	3,635	4,154	2,487	2,259	2,255
Tap Connection and Inspection Fees	171	52,930	25,305	66,878	43,880
Surface Water Fees	168,734	148,285	87,802	79,418	56,494
Miscellaneous & Investment Earnings	36,389	16,493	127	303	1,358
Total Revenues	\$ 1,008,971	\$ 952,745	\$ 752,948	\$ 656,919	\$ 432,540
Expenditures					
Professional Fees	\$ 127,461	\$ 114,676	\$ 90,725	\$ 82,402	\$ 84,053
Contracted Services	166,151	171,327	119,733	132,701	94,511
Repairs and Maintenance	95,117	115,264	117,918	109,007	75,134
Utilities	14,862	12,764	1,475	1,153	925
Regional Water Authority Fees	-	-	-	-	46,652
Surface Water Conversion Fees (b)	149,278	-	-	-	-
Administrative	39,223	25,360	31,700	29,194	18,690
Purchased Services (b)	153,548	242,340	157,192	154,609	43,278
Other	3,233	6,385	3,881	4,055	3,180
Total Expenditures	\$ 748,874	\$ 688,116	\$ 522,624	\$ 513,121	\$ 366,423
Revenues Over (Under) Expenditures	\$ 260,098	\$ 264,629	\$ 230,324	\$ 143,798	\$ 66,117
Fund Balance (Beginning of Year)	\$ 921,174	\$ 656,545	\$ 426,221	\$ 282,423	\$ 216,306
Fund Balance (End of Year)	\$ 1,181,272	\$ 921,174	\$ 656,545	\$ 426,221	\$ 282,423

(a) Unaudited. Provided by the District's bookkeeper.

(b) In the audited financial statements for the fiscal years 2021 through 2023, the surface water conversion fees were included as a component of the Purchased Services expenditures line item.

DEBT SERVICE REQUIREMENTS

The following sets forth the actual debt service on the Outstanding Bonds and the Bonds. This schedule does not reflect the fact that an amount equal to six (6) months of interest will be capitalized from proceeds of the Bonds, respectively. See "USE AND DISTRIBUTION OF BONDS PROCEEDS."

Year	Outstanding	Plus:		Plus:		Total
	Bonds	The Series 2024 Bonds		The Series 2024A Park Bonds		
	Debt Service					Debt Service
	Requirements	Principal	Interest	Principal	Interest	Requirements
2024	\$ 532,581 (a)					\$ 532,581
2025	729,419	\$ 50,000	\$ 74,188	\$ 70,000	\$ 109,018	1,032,625
2026	728,119	50,000	65,056	70,000	95,825	1,009,000
2027	715,581	50,000	61,806	75,000	91,275	993,663
2028	702,769	50,000	58,556	75,000	86,400	972,725
2029	701,356	55,000	55,306	80,000	81,525	973,188
2030	688,944	55,000	51,731	80,000	76,325	952,000
2031	688,806	55,000	48,156	80,000	71,325	943,288
2032	684,531	55,000	44,581	85,000	66,325	935,438
2033	684,856	60,000	42,381	85,000	62,925	935,163
2034	684,356	60,000	39,981	90,000	59,525	933,863
2035	683,194	60,000	37,581	90,000	55,925	926,700
2036	681,431	65,000	35,181	95,000	52,325	928,938
2037	689,000	65,000	32,581	95,000	48,525	930,106
2038	680,025	65,000	29,981	100,000	44,725	919,731
2039	680,550	65,000	27,381	100,000	40,725	913,656
2040	675,050	70,000	24,781	105,000	36,725	911,556
2041	663,950	70,000	21,981	105,000	32,525	893,456
2042	652,088	75,000	19,181	110,000	28,325	884,594
2043	639,875	75,000	16,088	110,000	23,925	864,888
2044	401,438	75,000	12,994	115,000	19,388	623,819
2045	357,775	80,000	9,900	115,000	14,644	577,319
2046	250,200	80,000	6,600	120,000	9,900	466,700
2047	-	80,000	3,300	120,000	4,950	208,250
Total	\$ 14,595,894	\$ 1,465,000	\$ 819,276	\$ 2,170,000	\$ 1,213,075	\$ 20,263,244

(a) Excludes the March 1, 2024 debt service payment of \$197,581.

Average Annual Debt Service Requirements (2025-2047)\$ 857,855
 Maximum Annual Debt Service Requirement (2025).....\$1,032,625

INVESTMENT CONSIDERATIONS

General

The Bonds are obligations solely of the District and are not obligations of the State of Texas, Fort Bend County, the City of Sugar Land, 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 and Security 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" herein.

Rental Homes

According to the 2023 tax roll, approximately 3.62% of currently completed homes in the District are considered rental properties (approximately 9 homes as of the January 1, 2023 certified roll, 7 of which are owned by Camillo ML 2022 TRM SFR LLC) and leased to residents in the District. The owners of these rental properties are responsible for the payment of property taxes and maintenance of the homes. See "TAX DATA—Principal Taxpayers."

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 District property owners to pay their taxes. The 2023 Certified Taxable Assessed Valuation of the District (see "FINANCIAL STATEMENT") is \$109,456,169. After issuance of the Bonds, the maximum annual debt service requirement will be \$1,032,625 (2025) and the average annual debt service requirement will be \$857,855 (2025-2047). Assuming no increase or decrease from the 2023 Certified Taxable Assessed Valuation and no use of funds other than tax collections, a tax rate of \$1.00 per \$100 assessed valuation at a 95% collection rate would be necessary to pay the maximum annual debt service requirement of \$1,032,625 and a tax rate of \$0.83 per \$100 assessed valuation at a 95% collection rate would be necessary to pay the average annual debt service requirement of \$857,855 (see "TAX DATA—Tax Adequacy for Debt Service"). The 2024 Preliminary Taxable Assessed Valuation within the District is \$119,794,425. Assuming no increase or decrease from the 2024 Preliminary Taxable Assessed Valuation and no use of funds other than tax collections, tax rates of \$0.91 and \$0.76 per \$100 assessed valuation would be necessary to pay the maximum annual requirement and average annual requirement, respectively. Although calculations have been made regarding average and maximum tax rates necessary to pay the debt service on the Bonds based upon the 2023 Certified Taxable Assessed Valuation and the 2024 Preliminary Taxable Assessed Valuation, the District can make no representations regarding the future level of assessed valuation within the District. Increases in the tax rate may be required in the event the District's assessed valuation does not continue to increase or in the event major taxpayers do not pay their District taxes timely. Increases in taxable values depend primarily on the continuing construction and sale of homes and other taxable improvements within the District. See "TAX 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 Houston area, including the District, is subject to occasional severe weather events, including tornadoes, flooding, 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 Harvey, which made landfall along the Texas Gulf Coast on August 26, 2017, and brought historic levels of rainfall during the successive four days. To the best of the District's knowledge, the District's System did not sustain any material damage, there was no interruption of water and sewer service, and no homes or other improvements within the District experienced structural flooding or other material damage as a result of Hurricane Harvey.

The District cannot predict the effect that additional extreme weather events may have upon the District and the Houston area. Additional extreme weather events have the potential to cause damage within the District and across the Houston area generally that could have a negative effect on taxable assessed valuations in the District and the economy of the District and the region. 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 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.

Future Debt

The District reserves in the respective Bond Resolutions the right to issue the remaining \$18,770,000 principal amount of authorized and unissued unlimited tax bonds for the purpose of acquiring or constructing water, sanitary sewer and drainage facilities and refunding of such bonds after the issuance of the Series 2024 Bonds, and the remaining \$3,730,000 principal amount of authorized and unissued unlimited tax bonds for the purpose of acquiring or constructing recreational facilities and refunding of such bonds, after the issuance of the Series 2024A Park Bonds. The District may also issue the remaining \$17,840,000 principal amount of authorized and unissued unlimited tax road bonds for the purpose of constructing roads and related improvements and refunding of such bonds. The District may issue additional bonds approved by District voters in future elections. See "THE BONDS—Issuance of Additional Debt." The issuance of such obligations may adversely affect the investment security of the Bonds. The District does not employ any formula with regard to assessed valuations or tax collections or otherwise to limit the amount of bonds which may be issued. Any bonds issued by the District, however, must be approved by the Attorney General of Texas and the Board of Directors of the District and any bonds issued to acquire or construct water, sanitary sewer and drainage facilities and recreational facilities, but not road facilities, must be approved by the Commission.

Tax Collection Limitations

The District's ability to make debt service payments may be adversely affected by its inability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien in favor of the District on a parity with the liens of all other state and local taxing authorities on the property against which taxes are levied, and such lien may be enforced by foreclosure. The District's ability to collect ad valorem taxes through such foreclosure may be impaired by market conditions limiting the proceeds from a foreclosure sale of taxable property and collection procedures. While the District has a lien on taxable property within the District for taxes levied against such property, such lien can be foreclosed only in a judicial proceeding. The costs of collecting any such taxpayer's delinquencies could substantially reduce the net proceeds to the District from a tax foreclosure sale. Finally, a bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within the District pursuant to the Federal Bankruptcy Code could stay any attempt by the District to collect delinquent ad valorem taxes 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. See "TAX PROCEDURES—District's Rights in the Event of Tax Delinquencies."

Registered Owners' Remedies and Bankruptcy Limitations

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

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

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

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

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

A district may not be forced into involuntary bankruptcy.

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.

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

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

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.

Continuing Compliance with Certain Covenants

The Bond Resolutions contain covenants by the District intended to preserve the exclusion from gross income for federal income tax purposes of interest on the Bonds. Failure by the District to comply with such covenants in the Bond Resolutions on a continuous basis prior to maturity of the Bonds could result in interest on the Bonds becoming taxable retroactively to the date of original issuance. See “TAX MATTERS.”

Marketability

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

Changes in Tax Legislation

Certain tax legislation, whether currently proposed or proposed in the future, may directly or indirectly reduce or eliminate the benefit of the exclusion of interest on the Bonds from gross income for federal tax purposes. Any proposed legislation, whether or not enacted, may also affect the value and liquidity of the Bonds. Prospective purchasers 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 Initial Purchaser has entered into an agreement with Build America Mutual Assurance Company (“BAM” or the “Insurer”) for the purchase of separate municipal bond insurance policies (collectively, the “Policy”). At the time of entering into the agreement, the Insurer was rated “AA” (stable outlook) by S&P. See “MUNICIPAL BOND INSURANCE” and “APPENDIX B.”

The long-term ratings on the Bonds are dependent in part on the financial strength of the insurers (the “Insurers”) and its claim paying ability. The Insurers’ 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 Insurers and of the ratings on the Bonds insured by the Insurers will not be subject to downgrade and such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds. See description of “MUNICIPAL BOND RATING” and “MUNICIPAL BOND INSURANCE.”

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

Neither the District nor the Initial Purchaser have made independent investigation into the claims paying ability of the Insurers and no assurance or representation regarding the financial strength or projected financial strength of the Insurers 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 Insurers, particularly over the life of the investment. See “MUNICIPAL BOND RATING” and “MUNICIPAL BOND INSURANCE” for further information provided by the Insurers and the Policy, which includes further instructions for obtaining current financial information concerning the Insurers.

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,” “ROAD SYSTEM,” “WATER SUPPLY AND WASTEWATER TREATMENT SYSTEM,” “THE PARK SYSTEM,” “TAX 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.

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

No-Litigation Certificate

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

TAX MATTERS

In the opinion of Allen Boone Humphries Robinson LLP, Bond Counsel, under existing law, interest on the Bonds is excludable from gross income for federal income tax purposes and interest on the Bonds is not subject to the alternative minimum tax on individuals; 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 District has covenanted in the Bond Resolutions that they will comply with these requirements.

Bond Counsel's opinion will assume continuing compliance with the covenants of the Bond Resolutions 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 Initial Purchaser with respect to matters solely within the knowledge of the District, the and the Initial Purchaser, respectively, which Bond Counsel has not independently verified. If the District should fail to comply with the covenants in the Bond Resolutions 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 IRS. 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 Internal Revenue Service (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 Initial Purchaser 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 inside cover page of this Official Statement, and (c) the respective initial offering prices of the Original Issue Discount Bonds to the general public are equal to the fair market value thereof. Neither the District nor Bond Counsel warrants that the Original Issue Discount Bonds will be offered and sold in accordance with such assumptions.

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

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

Qualified Tax-Exempt Obligations

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

The District has designated the Bonds as “qualified tax-exempt obligations” and will represent that the aggregate amount of tax-exempt bonds (including the Bonds) issued by the District and entities aggregated with the District under the Code during calendar year 2024 is not expected to exceed \$10,000,000 and that the District and entities aggregated with the District under the Code have not designated more than \$10,000,000 in “qualified tax-exempt obligations” (including the Bonds) during calendar year 2024.

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

MUNICIPAL BOND RATING

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, ("S&P") has assigned a municipal bond rating of "AA" (stable outlook) with the understanding that, upon delivery of the Bonds, separate municipal bond insurance policies ensuring the timely payment of the principal of and interest on the Bonds will be issued by Build America Mutual Assurance Company ("BAM"). 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 "INVESTMENT CONSIDERATIONS—Risk Factors Related to the Purchase of Municipal Bond Insurance" and "MUNICIPAL BOND INSURANCE."

The rating reflects only the view of such organization and the District makes no representation as to the appropriateness of the rating. 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, Build America Mutual Assurance Company ("BAM") will issue separate municipal bond insurance policies for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as APPENDIX B to this Official Statement.

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

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

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

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

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

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of March 31, 2024 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$483.2 million, \$221.8 million and \$261.4 million, respectively.

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

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

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

Additional Information Available from BAM

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

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

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

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

SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the Series 2024 Bonds, the District accepted the bid resulting in the lowest net effective interest rate, which bid was tendered by SAMCO Capital Markets, Inc. (the “Series 2024 Bond Initial Purchaser”) bearing the interest rates shown on the inside cover hereof, at a price of 97.0200% of the par value thereof which resulted in a net effective interest rate of 4.487159%, as calculated pursuant to Chapter 1204 of the Texas Government Code, as amended (the IBA method).

After requesting competitive bids for the Series 2024A Park Bonds, the District accepted the bid resulting in the lowest net effective interest rate, which bid was tendered by SAMCO Capital Markets, Inc. (the “Series 2024A Park Bond Initial Purchaser”) bearing the interest rates shown on the inside cover hereof, at a price of 97.0005% of the par value thereof which resulted in a net effective interest rate of 4.465687%, as calculated pursuant to Chapter 1204 of the Texas Government Code, as amended (the IBA method).

The Series 2024 Bond Initial Purchaser and the Series 2024A Park Bond Initial Purchaser shall be referred to herein collectively as the “Initial Purchaser.”

Prices and Marketability

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

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

Securities Laws

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

PREPARATION OF OFFICIAL STATEMENT

Sources and Compilation of Information

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

Financial Advisor

Masterson Advisors LLC is employed as the Financial Advisor to the District to render certain professional services, including advising the District on a plan of financing and preparing the Official Statement, including the Official Notice of Sale and the Official Bid Form for the sale of the Bonds. In its capacity as Financial Advisor, Masterson Advisors LLC has compiled and edited this Official Statement. In addition to compiling and editing, the Financial Advisor has obtained the information set forth herein under the caption indicated from the following sources:

"THE DISTRICT" –Pointe Greatwood, LLC ("Developer"), Quiddity Engineering, LLC ("Engineer"), and Records of the District ("Records"); "THE DEVELOPER" –Developer; "ROAD SYSTEM" –Engineer; "WATER SUPPLY AND WASTEWATER TREATMENT SYSTEM" –Engineer; "THE PARK SYSTEM" –Engineer; "UNLIMITED TAX BONDS AUTHORIZED BUT UNISSUED" –Records; "FINANCIAL STATEMENT" –Fort Bend Central Appraisal District and Tax Tech, Inc., Tax Assessor/Collector; "ESTIMATED OVERLAPPING DEBT STATEMENT" –Municipal Advisory Council of Texas and Financial Advisor; "TAX DATA" –Tax Tech, Inc.; "MANAGEMENT" –District Records; "DEBT SERVICE REQUIREMENTS" –Financial Advisor; "THE BONDS," "TAX PROCEDURES," and "LEGAL MATTERS" –Allen Boone Humphries Robinson LLP.

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 agreed to the use of information provided by such firms.

Engineer: The information contained in this Official Statement relating to engineering matters and to the description of the System and in particular that information included in the sections entitled “THE DISTRICT,” “ROAD SYSTEM,” “WATER SUPPLY AND WASTEWATER TREATMENT SYSTEM” and “THE PARK SYSTEM” has been provided by Quiddity Engineering, LLC, Consulting Engineers and has been included herein in reliance upon the authority of said firm as experts in the field of civil engineering.

Appraisal District: The information contained in this Official Statement relating to the historical certified taxable appraised valuations has been provided by the Fort Bend Central Appraisal District and has been included herein in reliance upon the authority of such entity as experts in assessing the values of property in Fort Bend County, including the District.

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 Tax Tech Inc. and is included herein in reliance upon the authority of such firm as an expert in assessing and collecting taxes.

Auditor: The financial statements of the District as of February 28, 2023, and for the year then ended, included in this offering document, have been audited by McGrath & Co., PLLC, Certified Public Accountants as stated in their report appearing herein. See “APPENIDX A” for a copy of the District’s February 28, 2023 audited financial statements.

Bookkeeper: The information related to the “unaudited” summary of the District’s General Operating Fund as it appears in “WATER AND SEWER OPERATIONS” has been prepared 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 Initial Purchaser, of any adverse event which causes the Official Statement to be materially misleading, and unless the Initial Purchaser elects to terminate its obligation to purchase the Bonds, the District will promptly prepare and supply to the Initial Purchaser an appropriate amendment or supplement to the Official Statement satisfactory to the Initial Purchaser; provided, however, that the obligation of the District to so amend or supplement the Official Statement will terminate when the District delivers the Bonds to the Initial Purchaser, unless the Initial Purchaser notifies the District 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 the light of the circumstances under which they are made, not misleading; however, the Board has made no independent investigation as to the accuracy or completeness of the information derived from sources other than the District. In rendering such certificate, the 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 Resolutions, 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 certain specified events, to the Municipal Securities Rulemaking Board (the "MSRB"). The MSRB has established the Electronic Municipal Market Access ("EMMA") System.

Annual Reports

The District will provide certain financial information and operating data annually to the MSRB. The financial information and operating data which will be provided with respect to the District includes all quantitative financial information and operating data of the general type included in this OFFICIAL STATEMENT under the headings "FINANCIAL STATEMENT," "TAX DATA," and "DEBT SERVICE REQUIREMENTS" and in APPENDIX A (Independent Auditor's Report and Financial Statements of the District and certain supplemental schedules). 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. Any financial statements provided by the District shall be prepared in accordance with generally accepted accounting principles or other such principles as the District may be required to employ from time to time pursuant to state law or regulation and audited if the audit report is completed within the period during which it must be provided. If the audit report is not complete within such period, then the District shall provide unaudited financial statements for the applicable year to the MSRB within such six-month period and audited financial statements when the audit report becomes available.

The District's current fiscal year end is February 28. Accordingly, it must provide updated information by August 31 in each year, unless the District changes its fiscal year. If the District changes its fiscal year, it will notify the MSRB of the change.

Event Notices

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

Availability of Information from the 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 its Electronic Municipal Market Access ("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 Resolutions 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 Initial Purchaser 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 under “—Annual Reports” an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

Compliance With Prior Undertakings

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

MISCELLANEOUS

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

/s/ Darrell Kainer
President, Board of Directors

ATTEST:

/s/ William D. Kee III
Secretary, Board of Directors

AERIAL PHOTOGRAPH
(As of May 2024)

**FORT BEND COUNTY MUNICIPAL
UTILITY DISTRICT No. 192**



RABB'S CROSSING



FM 2759

PHOTOGRAPHS OF THE DISTRICT
(As of May 2024)











APPENDIX A

**Independent Auditor's Report and Financial Statements of the District
for the Fiscal Year Ended February 28, 2023**

**FORT BEND COUNTY MUNICIPAL
UTILITY DISTRICT NO. 192**

FORT BEND COUNTY, TEXAS

FINANCIAL REPORT

February 28, 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. 192
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. 192 (the "District"), as of and for the year ended February 28, 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. 192, as of February 28, 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

***Board of Directors
Fort Bend County Municipal Utility District No. 192
Fort Bend County, Texas***

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.

W. G. Gatt & Co., P.C.

Houston, Texas

June 7, 2023

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Management's Discussion and Analysis

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***Fort Bend County Municipal Utility District No. 192
Management's Discussion and Analysis
February 28, 2023***

Using this Annual Report

Within this section of the financial report of Fort Bend County Municipal Utility District No. 192 (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 February 28, 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.

Fort Bend County Municipal Utility District No. 192
Management's Discussion and Analysis
February 28, 2023

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 February 28, 2023, was negative \$4,056,806. The District's net position is negative because the District incurs debt to construct public roads which it conveys to Fort Bend County or the Texas Department of Transportation ("TxDOT"). A comparative summary of the District's overall financial position, as of February 28, 2023 and 2022, is as follows:

	2023	2022
Current and other assets	\$ 1,918,904	\$ 1,470,200
Capital assets	6,582,147	6,649,001
Total assets	<u>8,501,051</u>	<u>8,119,201</u>
Current liabilities	280,312	273,256
Long-term liabilities	12,277,545	12,336,548
Total liabilities	<u>12,557,857</u>	<u>12,609,804</u>
Net position		
Net investment in capital assets	(2,193,197)	(2,176,624)
Restricted	803,529	569,987
Unrestricted	(2,667,138)	(2,883,966)
Total net position	<u>\$ (4,056,806)</u>	<u>\$ (4,490,603)</u>

Fort Bend County Municipal Utility District No. 192
Management's Discussion and Analysis
February 28, 2023

The total net position of the District increased during the current fiscal year by \$433,797. A comparative summary of the District's *Statement of Activities* for the past two years is as follows:

	<u>2023</u>	<u>2022</u>
Revenues		
Water and sewer service	\$ 173,918	\$ 118,305
Property taxes, penalties and interest	1,136,101	893,726
Other	<u>297,198</u>	<u>165,351</u>
Total revenues	<u>1,607,217</u>	<u>1,177,382</u>
Expenses		
Current service operations	764,097	599,992
Debt interest and fees	206,472	161,013
Developer interest		142,657
Debt issuance costs		162,049
Depreciation and amortization	<u>202,851</u>	<u>199,830</u>
Total expenses	<u>1,173,420</u>	<u>1,265,541</u>
Change in net position	433,797	(88,159)
Net position, beginning of year	<u>(4,490,603)</u>	<u>(4,402,444)</u>
Net position, end of year	<u>\$ (4,056,806)</u>	<u>\$ (4,490,603)</u>

Financial Analysis of the District's Funds

The District's combined fund balances, as of February 28, 2023, were \$1,820,454, which consists of \$921,174 in the General Fund, \$795,641 in the Debt Service Fund, and \$103,639 in the Capital Projects Fund.

General Fund

A comparative summary of the General Fund's financial position as of February 28, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Total assets	<u>\$ 1,007,210</u>	<u>\$ 750,863</u>
Total liabilities	\$ 80,786	\$ 83,256
Total deferred inflows	5,250	11,062
Total fund balance	<u>921,174</u>	<u>656,545</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 1,007,210</u>	<u>\$ 750,863</u>

***Fort Bend County Municipal Utility District No. 192
Management's Discussion and Analysis
February 28, 2023***

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

	<u>2023</u>	<u>2022</u>
Total revenues	\$ 952,745	\$ 752,948
Total expenditures	<u>(688,116)</u>	<u>(522,624)</u>
Revenues over expenditures	<u>\$ 264,629</u>	<u>\$ 230,324</u>

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, the provision of water and sewer services to customers within the District and tap connection fees charged to homebuilders in the District. 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. While the District decreased its maintenance tax levy, property tax revenues increased because assessed values in the District increased from the prior year.
- Water, sewer and surface water revenues are dependent upon customer usage, which fluctuates from year to year as a result of factors beyond the District's control.
- Revenues from providing fire protection services are based on the number of connections in the District and increases as the number of connections increases.
- Tap connection fees fluctuate with homebuilding activity within the District.

Debt Service Fund

A comparative summary of the Debt Service Fund's financial position as of February 28, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Total assets	<u>\$ 804,305</u>	<u>\$ 569,987</u>
Total liabilities	\$ 776	\$ -
Total deferred inflows	7,888	11,131
Total fund balance	<u>795,641</u>	<u>558,856</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 804,305</u>	<u>\$ 569,987</u>

Fort Bend County Municipal Utility District No. 192
Management's Discussion and Analysis
February 28, 2023

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

	<u>2023</u>	<u>2022</u>
Total revenues	\$ 660,174	\$ 412,943
Total expenditures	<u>(423,389)</u>	<u>(315,755)</u>
Revenues over expenditures	236,785	97,188
Other changes in fund balance		49,281
Net change in fund balance	<u>\$ 236,785</u>	<u>\$ 146,469</u>

The District's financial resources in the Debt Service Fund in both the current year and prior year are from property tax revenues. In the prior year, financial resources also included 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.

Capital Projects Fund

A comparative summary of the Capital Projects Fund's financial position as of February 28, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Total assets	<u>\$ 107,389</u>	<u>\$ 149,350</u>
Total liabilities	\$ 3,750	\$ -
Total fund balance	<u>103,639</u>	<u>149,350</u>
Total liabilities and fund balance	<u>\$ 107,389</u>	<u>\$ 149,350</u>

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

	<u>2023</u>	<u>2022</u>
Total revenues	\$ 3,353	\$ 34
Total expenditures	<u>(49,064)</u>	<u>(1,668,870)</u>
Revenues under expenditures	(45,711)	(1,668,836)
Other changes in fund balance		1,715,719
Net change in fund balance	<u>\$ (45,711)</u>	<u>\$ 46,883</u>

The District did not have any significant capital asset activity in the current fiscal year. In the prior year, the District had significant capital asset activity, which was financed with proceeds from the issuance of its Series 2022 Unlimited Tax Bonds.

**Fort Bend County Municipal Utility District No. 192
 Management’s Discussion and Analysis
 February 28, 2023**

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 \$150,784 greater than budgeted. The *Budgetary Comparison Schedule* on page 34 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 February 28, 2023 and 2022 are summarized as follows:

	<u>2023</u>	<u>2022</u>
Capital assets not being depreciated		
Land and improvements	<u>\$ 490,314</u>	<u>\$ 490,314</u>
Capital assets being depreciated/amortized		
Infrastructure	5,594,832	5,458,835
Landscaping improvements	1,342,518	1,342,518
Connection charges	433,060	433,060
	<u>7,370,410</u>	<u>7,234,413</u>
Less accumulated depreciation/amortization		
Infrastructure	(731,212)	(606,883)
Landscaping improvements	(478,989)	(411,863)
Connection charges	(68,376)	(56,980)
	<u>(1,278,577)</u>	<u>(1,075,726)</u>
Depreciable capital assets, net	<u>6,091,833</u>	<u>6,158,687</u>
Capital assets, net	<u><u>\$ 6,582,147</u></u>	<u><u>\$ 6,649,001</u></u>

Fort Bend County and TxDOT assume responsibility (after a one-year maintenance period) for road facilities constructed within the boundaries of the County. Accordingly, these facilities are not considered assets of the District. The estimated value of these assets is recorded as transfers to other governments upon completion of construction. This estimated cost is trued-up when the developer is reimbursed.

**Fort Bend County Municipal Utility District No. 192
 Management’s Discussion and Analysis
 February 28, 2023**

Long-Term Debt and Related Liabilities

As of February 28, 2023, the District owes approximately \$6,732,545 to its developer 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. 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 February 28, 2023 and 2022, the District had total bonded debt outstanding as shown below:

Series	2023	2022
2017 Road	\$ 1,315,000	\$ 1,355,000
2018	1,975,000	2,035,000
2020 Road	740,000	775,000
2022	1,710,000	1,765,000
	\$ 5,740,000	\$ 5,930,000

At February 28, 2023, the District had \$24,685,000 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; \$5,900,000 for parks and recreational facilities and the refunding of such bonds; and \$17,840,000 for road improvements and the refunding of such bonds.

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 and water/sewer services and the projected cost of operating the District and providing services to customers. 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	\$ 952,745	\$ 841,200
Total expenditures	(688,116)	(765,700)
Revenues over expenditures	264,629	75,500
Beginning fund balance	656,545	921,174
Ending fund balance	\$ 921,174	\$ 996,674

Property Taxes

The District’s property tax base increased approximately \$35,078,000 for the 2023 tax year from \$78,088,527 to \$113,166,301, based on preliminary values. This increase was primarily due to new construction in the District and increased property values.

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Basic Financial Statements

Fort Bend County Municipal Utility District No. 192
Statement of Net Position and Governmental Funds Balance Sheet
February 28, 2023

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets						
Cash	\$ 64,695	\$ 193,997	\$ -	\$ 258,692	\$ -	\$ 258,692
Investments	793,432	671,235	148,990	1,613,657		1,613,657
Taxes receivable	5,250	7,888		13,138		13,138
Customer service receivables	30,662			30,662		30,662
Internal balances	110,416	(68,815)	(41,601)			
Prepaid items	2,755			2,755		2,755
Capital assets not being depreciated					490,314	490,314
Capital assets, net					6,091,833	6,091,833
Total Assets	\$ 1,007,210	\$ 804,305	\$ 107,389	\$ 1,918,904	6,582,147	8,501,051
Liabilities						
Accounts payable	\$ 69,441	\$ -	\$ 3,750	\$ 73,191		73,191
Other payables	11,345	776		12,121		12,121
Due to developer					6,732,545	6,732,545
Long-term debt						
Due within one year					195,000	195,000
Due after one year					5,545,000	5,545,000
Total Liabilities	80,786	776	3,750	85,312	12,472,545	12,557,857
Deferred Inflows of Resources						
Deferred property taxes	5,250	7,888		13,138	(13,138)	
Fund Balances/Net Position						
Fund Balances						
Nonspendable	2,755			2,755	(2,755)	
Restricted		795,641	103,639	899,280	(899,280)	
Unassigned	918,419			918,419	(918,419)	
Total Fund Balances	921,174	795,641	103,639	1,820,454	(1,820,454)	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,007,210	\$ 804,305	\$ 107,389	\$ 1,918,904		
Net Position						
Net investment in capital assets					(2,193,197)	(2,193,197)
Restricted for debt service					803,529	803,529
Unrestricted					(2,667,138)	(2,667,138)
Total Net Position					\$ (4,056,806)	\$ (4,056,806)

See notes to basic financial statements.

Fort Bend County Municipal Utility District No. 192

Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances

For the Year Ended February 28, 2023

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues						
Water service	\$ 106,222	\$ -	\$ -	\$ 106,222	\$ -	\$ 106,222
Sewer service	67,696			67,696		67,696
Fire service	67,838			67,838		67,838
Property taxes	489,127	649,218		1,138,345	(8,463)	1,129,882
Penalties and interest	4,154	2,657		6,811	(592)	6,219
Surface water fees	148,285			148,285		148,285
Tap connection and inspection	52,930			52,930		52,930
Miscellaneous	5,676			5,676		5,676
Investment earnings	10,817	8,299	3,353	22,469		22,469
Total Revenues	952,745	660,174	3,353	1,616,272	(9,055)	1,607,217
Expenditures/Expenses						
Current service operations						
Purchased services	242,340			242,340		242,340
Professional fees	114,676		48,944	163,620		163,620
Contracted services	171,327	23,255		194,582		194,582
Repairs and maintenance	115,264			115,264		115,264
Utilities	12,764			12,764		12,764
Administrative	25,360	3,662		29,022		29,022
Other	6,385		120	6,505		6,505
Debt service						
Principal		190,000		190,000	(190,000)	
Interest and fees		206,472		206,472		206,472
Depreciation and amortization					202,851	202,851
Total Expenditures/Expenses	688,116	423,389	49,064	1,160,569	12,851	1,173,420
Revenues Over/(Under)						
Expenditures	264,629	236,785	(45,711)	455,703	(455,703)	
Change in Net Position					433,797	433,797
Fund Balances/Net Position						
Beginning of the year	656,545	558,856	149,350	1,364,751	(5,855,354)	(4,490,603)
End of the year	\$ 921,174	\$ 795,641	\$ 103,639	\$ 1,820,454	\$ (5,877,260)	\$ (4,056,806)

See notes to basic financial statements.

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Note 1 – Summary of Significant Accounting Policies

The accounting policies of Fort Bend County Municipal Utility District No. 192 (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 created under Article XVI, Section 59 of the Texas Constitution by Senate Bill 994, as passed by the 81st Texas Legislature on June 19, 2009, and operates in accordance with Chapter 8330 of the Texas Special District Local Laws Code, and Chapters 49 and 54 of the Texas Water Code as amended. The Board of Directors held its first meeting on August 16, 2013, and the first bonds were issued on June 29, 2017.

The District’s primary activities include construction, maintenance and operation of water, sewer and drainage, parks, and road facilities. 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 three 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 water and sewer system and all other financial transactions not reported in other funds. The principal sources of revenue are property taxes and water and sewer service fees. 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 source of revenue for debt service is property taxes. Expenditures include costs incurred in assessing and collecting these taxes.
- The Capital Projects Fund is used to account for the expenditures of bond proceeds for the construction of the District’s water, sewer, drainage 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.

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, interest earned on investments and income from District operations. 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 1 – Summary of Significant Accounting Policies (continued)

Measurement Focus and Basis of Accounting (continued)

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 February 28, 2023, an allowance for uncollectible accounts was not considered necessary.

Unbilled Service Revenues

Utility revenue is recorded when earned. Customers are billed monthly. The estimated value of services provided but unbilled at year-end has been included in the accompanying financial statements.

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.

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.

Note 1 – Summary of Significant Accounting Policies (continued)

Capital Assets (continued)

Depreciable capital assets, which primarily consist of water, wastewater and drainage facilities, are depreciated or amortized using the straight-line method as follows:

Assets	Useful Life
Infrastructure	45 years
Landscaping improvements	20 years
Connection charges	40 years [max]

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.

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.

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.

Note 1 – Summary of Significant Accounting Policies (continued)

Fund Balances – Governmental Funds (continued)

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 consist of unspent bond proceeds in the Capital Projects Fund and property taxes levied for debt service in the Debt Service Fund.

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 does not have any committed fund balances.

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

Unassigned - all other spendable amounts in the General Fund.

When 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.

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 value of unbilled utility revenues and receivables; the useful lives and impairment of capital assets; the value of amounts due to developer 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.

Fort Bend County Municipal Utility District No. 192
Notes to Financial Statements
February 28, 2023

Note 2 – Adjustment from Governmental to Government-wide Basis

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

Total fund balances, governmental funds	\$ 1,820,454
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.	
Historical cost	\$ 7,860,724
Less accumulated depreciation/amortization	<u>(1,278,577)</u>
Change due to capital assets	6,582,147
Amounts due to the District's developer for prefunded construction and operating advances are recorded as a liability in the <i>Statement of Net Position</i> .	
	(6,732,545)
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.	
	(5,740,000)
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.	
	13,138
Total net position - governmental activities	<u><u>\$ (4,056,806)</u></u>

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	\$ 455,703
Governmental funds do not report revenues that are not available to pay current obligations. In contrast, such revenues are reported in the <i>Statement of Activities</i> when earned. The difference is for property taxes and related penalties and interest.	
	(9,055)
In the <i>Statement of Activities</i> , the cost of capital assets is charged to depreciation expense over the estimated useful life of the asset.	
	(202,851)
Governmental funds report principal payments on long-term debt as expenditures; however, in the <i>Statement of Net Position</i> , these amounts are recorded as a reduction to the liability.	
	190,000
Change in net position of governmental activities	<u><u>\$ 433,797</u></u>

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

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.

As of February 28, 2023, the District’s investments consist of the following:

Type	Fund	Carrying Value	Rating	Weighted Average Maturity
TexPool	General	\$ 793,432	AAAm	15 days
	Debt Service	671,235		
	Capital Projects	148,990		
Total		<u>\$ 1,613,657</u>		

Note 3 – Deposits and Investments (continued)

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 February 28, 2023, consist of the following:

Receivable Fund	Payable Fund	Amounts	Purpose
General Fund	Debt Service Fund	\$ 68,815	Maintenance tax collections not remitted as of year end
General Fund	Capital Projects Fund	41,601	Bond application fees paid by the General Fund

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

Fort Bend County Municipal Utility District No. 192
Notes to Financial Statements
February 28, 2023

Note 5 – Capital Assets

A summary of changes in capital assets, for the year ended February 28, 2023, is as follows:

	Beginning Balances	Additions/ Adjustments	Ending Balances
Capital assets not being depreciated			
Land and improvements	\$ 490,314	\$ -	\$ 490,314
Capital assets being depreciated/amortized			
Infrastructure	5,458,835	135,997	5,594,832
Landscaping improvements	1,342,518		1,342,518
Connection charges	433,060		433,060
	<u>7,234,413</u>	<u>135,997</u>	<u>7,370,410</u>
Less accumulated depreciation/amortization			
Infrastructure	(606,883)	(124,329)	(731,212)
Landscaping improvements	(411,863)	(67,126)	(478,989)
Connection charges	(56,980)	(11,396)	(68,376)
	<u>(1,075,726)</u>	<u>(202,851)</u>	<u>(1,278,577)</u>
Subtotal depreciable capital assets, net	<u>6,158,687</u>	<u>(66,854)</u>	<u>6,091,833</u>
Capital assets, net	<u>\$ 6,649,001</u>	<u>\$ (66,854)</u>	<u>\$ 6,582,147</u>

Depreciation/amortization expense for the current year was \$202,851.

Note 6 – Due to Developer

The District has entered into financing agreements with its developer for the financing of the construction of water, sewer, drainage, and park and recreational facilities and road improvements. Under the agreements, the developer will advance funds for the construction of facilities to serve the District. The developer 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 developer has also advanced funds to the District for operating expenses.

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

Due to developer, beginning of year	\$ 6,596,548
Adjustments to the value of capital assets	135,997
Due to developer, end of year	<u>\$ 6,732,545</u>

Fort Bend County Municipal Utility District No. 192
Notes to Financial Statements
February 28, 2023

Note 7 – Long-Term Debt

Long-term debt is comprised of the following:

Bonds payable	<u>\$ 5,740,000</u>
Due within one year	<u>\$ 195,000</u>

The District’s bonds payable at February 28, 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
2017 Road	\$ 1,315,000	\$ 1,500,000	3.00% - 4.00%	September 1, 2018 - 2042	September 1, March 1	September 1, 2023
2018	1,975,000	2,150,000	3.00% - 4.50%	September 1, 2020 - 2043	September 1, March 1	September 1, 2024
2020 Road	740,000	810,000	3.0% - 3.625%	September 1, 2021 - 2044	September 1, March 1	September 1, 2025
2022	1,710,000	1,765,000	2.00% - 4.50%	September 1, 2022 - 2045	September 1, March 1	September 1, 2027
	<u>\$ 5,740,000</u>					

Payments of principal and interest on all series of bonds are to be provided from taxes levied on all properties within the District. 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 the terms of its bond resolutions.

At February 28, 2023, the District had \$24,685,000 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; \$5,900,000 for parks and recreational facilities and the refunding of such bonds and \$17,840,000 for road improvements and the refunding of such bonds.

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

Bonds payable, beginning of year	\$ 5,930,000
Bonds retired	<u>(190,000)</u>
Bonds payable, end of year	<u>\$ 5,740,000</u>

Fort Bend County Municipal Utility District No. 192
Notes to Financial Statements
February 28, 2023

Note 7 – Long-Term Debt (continued)

The debt service payment due March 1 was made during the current fiscal year. The following schedule was prepared presuming this practice will continue. As of February 28, 2023, annual debt service requirements on bonds outstanding are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2024	\$ 195,000	\$ 194,616	\$ 389,616
2025	205,000	187,590	392,590
2026	210,000	180,169	390,169
2027	215,000	172,500	387,500
2028	220,000	164,575	384,575
2029	225,000	157,212	382,212
2030	235,000	150,212	385,212
2031	235,000	142,875	377,875
2032	250,000	135,269	385,269
2033	250,000	127,393	377,393
2034	260,000	119,207	379,207
2035	270,000	110,476	380,476
2036	275,000	101,413	376,413
2037	280,000	92,116	372,116
2038	295,000	82,113	377,113
2039	295,000	71,488	366,488
2040	305,000	60,501	365,501
2041	310,000	49,101	359,101
2042	320,000	37,369	357,369
2043	330,000	25,232	355,232
2044	340,000	12,456	352,456
2045	125,000	4,106	129,106
2046	95,000	1,187	96,187
	<u>\$ 5,740,000</u>	<u>\$ 2,379,176</u>	<u>\$ 8,119,176</u>

Note 8 – Property Taxes

On November 5, 2013, the voters of the District authorized the District’s Board of Directors to levy taxes annually for use in financing general operations limited to \$1.50 per \$100 of assessed value and \$0.25 per \$100 of assessed value for road maintenance. The District’s bond resolutions require that property taxes be levied for use in paying interest and principal on long-term debt and for use in paying the cost of assessing and collecting taxes. Taxes levied to finance debt service requirements on long-term debt are without limitation as to rate or amount.

Fort Bend County Municipal Utility District No. 192
Notes to Financial Statements
February 28, 2023

Note 8 – Property Taxes (continued)

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 \$1.45 per \$100 of assessed value, of which \$0.62 was allocated to maintenance and operations, \$0.629 was allocated to debt service, and \$0.201 was allocated to road debt service. The resulting tax levy was \$1,132,284 on the adjusted taxable value of \$78,088,527.

Property taxes receivable, at February 28, 2023, consisted of the following:

Current year taxes receivable	\$ 12,279
Penalty and interest receivable	859
Property taxes receivable	<u>\$ 13,138</u>

Note 9 – Regional Water Supply and Wastewater Treatment System; City Services

The District currently obtains its water supply and wastewater treatment from the City of Sugar Land. The District pays to the City the wholesale-water and sewer rates adopted by the City's Code of Ordinances (currently \$1.31/1,000 gallons for water and \$1.75/1,000 gallons for wastewater).

Pursuant to a contract for financing, operation and maintenance of regional water, wastewater, and storm sewer facilities with Fort Bend County Municipal Utility District No. 106 in its capacity as master district (the “Master District”) dated November 15, 2012, as amended, the Master District constructed water supply and wastewater treatment facilities to serve the districts located in the Master District’s service area. The Master District financed these facilities by imposing connection charges on all participating districts on a pro-rata basis based on single-family equivalent connection. The Master District (along with the other Greatwood Districts except for the District) was annexed by the City of Sugar Land and dissolved on December 12, 2017. In accordance with the City’s Ordinance No. 2075, the City assumed all the debts, liabilities, and obligations of the Master District.

Under Texas law, upon annexation and dissolution of the Master District, the City must perform all obligations of the Master District under the contract, including the provision of water and wastewater services to the District.

On February 19, 2019, the agreement was terminated, and the District and the City entered into a new agreement. Pursuant to the agreement, the City agrees to continue to be the wholesale provider of water and sewer services to the District.

Note 9 – Regional Water Supply and Wastewater Treatment System; City Services (continued)

The District also entered into a Groundwater Reduction Plan Participation Agreement with the City dated March 1, 2017 and, in consideration of inclusion in the City's Groundwater Reduction Plan, the District pays to the City a pumpage fee (currently \$4.19 per 1,000 gallons) which includes an out of City service charge (\$0.84 per 1,000 gallons pumped from a permitted well or supplied to the District). During the current year, the District paid the City \$242,340 for purchased water and wastewater treatment.

The District pays a fire fee per connection (currently \$18.48/connection) and an out of City service charge (\$3.70/connection) to the City for the provision of fire services pursuant to a Fire Protection Agreement with the City November 18, 2014.

Note 10 – 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 11 – Subsequent Event

On April 6, 2023, the District issued its \$4,450,000 Series 2023 Unlimited Tax Bonds at a net effective rate of 4.482370%. Proceeds from the bonds were used to reimburse the District's developers for the cost of capital assets constructed within the District plus interest expense at the net effective interest rate of the bonds.

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Required Supplementary Information

*Fort Bend County Municipal Utility District No. 192
 Required Supplementary Information - Budgetary Comparison Schedule - General Fund
 For the Year Ended February 28, 2023*

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Water service	\$ 80,000	\$ 106,222	\$ 26,222
Sewer service	35,000	67,696	32,696
Fire service	50,000	67,838	17,838
Property taxes	464,395	489,127	24,732
Penalties and interest	2,500	4,154	1,654
Surface water fees	85,000	148,285	63,285
Tap connection and inspection	49,200	52,930	3,730
Miscellaneous		5,676	5,676
Investment earnings	350	10,817	10,467
Total Revenues	<u>766,445</u>	<u>952,745</u>	<u>186,300</u>
Expenditures			
Current service operations			
Purchased services	237,000	242,340	(5,340)
Professional fees	101,500	114,676	(13,176)
Contracted services	128,250	171,327	(43,077)
Repairs and maintenance	135,100	115,264	19,836
Utilities	1,500	12,764	(11,264)
Administrative	41,250	25,360	15,890
Other	8,000	6,385	1,615
Total Expenditures	<u>652,600</u>	<u>688,116</u>	<u>(35,516)</u>
Revenues Over Expenditures	113,845	264,629	150,784
Fund Balance			
Beginning of the year	656,545	656,545	
End of the year	<u>\$ 770,390</u>	<u>\$ 921,174</u>	<u>\$ 150,784</u>

Fort Bend County Municipal Utility District No. 192
Notes to Required Supplementary Information
February 28, 2023

Budgets and Budgetary Accounting

An annual unappropriated budget is adopted for the General Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. There were no amendments to the budget during the year.

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Texas Supplementary Information

Fort Bend County Municipal Utility District No. 192
TSI-1. Services and Rates
February 28, 2023

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

- | | | | |
|---|---|---|--|
| <input checked="" type="checkbox"/> Retail Water | <input type="checkbox"/> Wholesale Water | <input checked="" type="checkbox"/> Solid Waste/Garbage | <input checked="" type="checkbox"/> Drainage |
| <input checked="" type="checkbox"/> Retail Wastewater | <input type="checkbox"/> Wholesale Wastewater | <input type="checkbox"/> Flood Control | <input type="checkbox"/> Irrigation |
| <input checked="" type="checkbox"/> Parks/Recreation | <input checked="" type="checkbox"/> Fire Protection | <input checked="" type="checkbox"/> Roads | <input type="checkbox"/> Security |
- Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect)
- Other (Specify): _____

2. Retail Service Providers

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

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate (Y / N)</u>	<u>Rate per 1,000 Gallons Over Minimum Usage</u>	<u>Usage Levels</u>	
Water:	<u>\$ 20.00</u>	<u>- 0 -</u>	<u>N</u>	<u>\$ 1.10</u>	<u>0</u>	<u>to 10,000</u>
				<u>1.50</u>	<u>10,001</u>	<u>to 20,000</u>
				<u>2.00</u>	<u>20,001</u>	<u>to 30,000</u>
				<u>2.50</u>	<u>30,001</u>	<u>to 45,000</u>
				<u>3.00</u>	<u>45,001</u>	<u>to no limit</u>
Wastewater:	<u>\$ 23.00</u>	<u>- 0 -</u>	<u>Y</u>	<u>\$ -</u>	<u>0</u>	<u>to no limit</u>
Surface water:	<u>\$ -</u>	<u>- 0 -</u>	<u>N</u>	<u>\$ 4.19</u>	<u>0</u>	<u>to no limit</u>

District employs winter averaging for wastewater usage? Yes No

Total charges per 10,000 gallons usage: Water \$ 72.90 Wastewater \$ 23.00

b. Water and Wastewater Retail Connections:

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFC'S</u>
Unmetered			x 1.0	
less than 3/4"	<u>263</u>	<u>262</u>	x 1.0	<u>262</u>
1"			x 2.5	
1.5"	<u>2</u>	<u>2</u>	x 5.0	<u>10</u>
2"	<u>6</u>	<u>6</u>	x 8.0	<u>48</u>
3"			x 15.0	
4"			x 25.0	
6"			x 50.0	
8"			x 80.0	
10"			x 115.0	
Total Water	<u>271</u>	<u>270</u>		<u>320</u>
Total Wastewater	<u>248</u>	<u>247</u>	x 1.0	<u>247</u>

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 192
TSI-1. Services and Rates
February 28, 2023

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

Gallons purchased into system:	<u>38,406,500</u> *	Water Accountability Ratio:
Gallons billed to customers:	<u>38,406,500</u>	(Gallons billed / Gallons pumped)
		<u>100.00%</u>

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

Does the District have Debt Service standby fees? Yes No

If yes, Date of the most recent commission Order: _____

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

If yes, Date of the most recent commission Order: _____

5. Location of District:

Is the District located entirely within one county? Yes No

County(ies) in which the District is located: Fort Bend County

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

City(ies) in which the District is located: _____

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

Entirely Partly Not at all

ETJs in which the District is located: City of Sugar Land

Are Board members appointed by an office outside the district? Yes No

If Yes, by whom? _____

*Purchased from City of Sugar Land

See accompanying auditor's report.

*Fort Bend County Municipal Utility District No. 192
 TSI-2. General Fund Expenditures
 For the Year Ended February 28, 2023*

Purchased services	<u>\$ 242,340</u>
Professional fees	
Legal	82,166
Audit	11,500
Engineering	21,010
	<u>114,676</u>
Contracted services	
Bookkeeping	11,450
Operator	7,805
Garbage collection	58,184
Tap connection and inspection	33,736
Fire protection	60,152
	<u>171,327</u>
Repairs and maintenance	<u>115,264</u>
Utilities	<u>12,764</u>
Administrative	
Directors fees	8,700
Printing and office supplies	9,810
Insurance	3,193
Other	3,657
	<u>25,360</u>
Other	<u>6,385</u>
Total expenditures	<u><u>\$ 688,116</u></u>

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 192
TSI-3. Investments
February 28, 2023

Fund	Interest Rate	Maturity Date	Balance at End of Year
General			
TexPool	Variable	N/A	\$ 793,432
Debt Service			
TexPool	Variable	N/A	476,243
TexPool - Road	Variable	N/A	194,992
			<u>671,235</u>
Capital Projects			
TexPool	Variable	N/A	101,982
TexPool - Road	Variable	N/A	47,008
			<u>148,990</u>
Total - All Funds			<u>\$ 1,613,657</u>

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 192
TSI-4. Taxes Levied and Receivable
February 28, 2023

	Maintenance Taxes	W-S-D Debt Service Taxes	Road Debt Service Taxes	Totals
Taxes Receivable, Beginning of Year	\$ 11,062	\$ 6,292	\$ 3,388	\$ 20,742
2022 Original Tax Levy	449,281	455,803	145,654	1,050,738
Adjustments	34,868	35,374	11,304	81,546
Adjusted Tax Levy	484,149	491,177	156,958	1,132,284
Total to be accounted for	495,211	497,469	160,346	1,153,026
Tax collections:				
Current year	478,899	485,850	155,256	1,120,005
Prior years	11,062	6,292	3,388	20,742
Total Collections	489,961	492,142	158,644	1,140,747
Taxes Receivable, End of Year	\$ 5,250	\$ 5,327	\$ 1,702	\$ 12,279
Taxes Receivable, By Years				
2022	\$ 5,250	\$ 5,327	\$ 1,702	\$ 12,279
	2022	2021	2020	2019
Property Valuations:				
Land	\$ 21,822,560	\$ 18,091,000	\$ 16,030,390	\$ 5,853,310
Improvements	65,954,591	42,062,282	27,740,822	27,980,255
Personal Property	283,310	219,090	250,970	186,470
Exemptions	(9,971,934)	(1,242,396)	(593,413)	(678,821)
Total Property Valuations	\$ 78,088,527	\$ 59,129,976	\$ 43,428,769	\$ 33,341,214
Tax Rates per \$100 Valuation:				
Maintenance tax rates	\$ 0.620	\$ 0.800	\$ 0.82	\$ 0.78
W-S-D debt service tax rates	0.629	0.455	0.31	0.38
Road debt service tax rates	0.201	0.245	0.37	0.34
Total Tax Rates per \$100 Valuation	\$ 1.450	\$ 1.500	\$ 1.50	\$ 1.50
Adjusted Tax Levy:	\$ 1,132,284	\$ 886,950	\$ 651,432	\$ 500,118
Percentage of Taxes Collected to Taxes Levied ***	98.92%	100.00%	100.00%	100.00%

* Maximum Maintenance Tax Rate Approved by Voters: \$1.50 on November 5, 2013

** Maximum Road Maintenance Tax Rate Approved by Voters: \$0.25 on November 5, 2013

*** 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. 192
TSI-5. Long-Term Debt Service Requirements
Series 2017 Road--by Years
February 28, 2023

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2024	\$ 40,000	\$ 46,225	\$ 86,225
2025	45,000	44,950	89,950
2026	45,000	43,600	88,600
2027	50,000	42,175	92,175
2028	50,000	40,675	90,675
2029	50,000	39,175	89,175
2030	55,000	37,531	92,531
2031	55,000	35,744	90,744
2032	60,000	33,838	93,838
2033	60,000	31,812	91,812
2034	65,000	29,663	94,663
2035	70,000	27,300	97,300
2036	70,000	24,850	94,850
2037	75,000	22,312	97,312
2038	80,000	19,400	99,400
2039	80,000	16,200	96,200
2040	85,000	12,900	97,900
2041	90,000	9,400	99,400
2042	95,000	5,700	100,700
2043	95,000	1,900	96,900
	<u>\$ 1,315,000</u>	<u>\$ 565,350</u>	<u>\$ 1,880,350</u>

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 192
TSI-5. Long-Term Debt Service Requirements
Series 2018--by Years
February 28, 2023

<u>Due During Fiscal Years Ending</u>	<u>Principal Due September 1</u>	<u>Interest Due September 1, March 1</u>	<u>Total</u>
2024	\$ 65,000	\$ 79,797	\$ 144,797
2025	65,000	77,684	142,684
2026	70,000	75,363	145,363
2027	70,000	72,869	142,869
2028	75,000	70,194	145,194
2029	75,000	67,381	142,381
2030	80,000	64,375	144,375
2031	80,000	61,175	141,175
2032	85,000	57,875	142,875
2033	85,000	54,475	139,475
2034	90,000	50,975	140,975
2035	90,000	47,375	137,375
2036	95,000	43,675	138,675
2037	95,000	39,875	134,875
2038	100,000	35,850	135,850
2039	100,000	31,600	131,600
2040	105,000	27,113	132,113
2041	105,000	22,388	127,388
2042	110,000	17,550	127,550
2043	115,000	12,488	127,488
2044	220,000	4,950	224,950
	<u>\$ 1,975,000</u>	<u>\$ 1,015,027</u>	<u>\$ 2,990,027</u>

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 192
TSI-5. Long-Term Debt Service Requirements
Series 2020 Road--by Years
February 28, 2023

<u>Due During Fiscal Years Ending</u>	<u>Principal Due September 1</u>	<u>Interest Due September 1, March 1</u>	<u>Total</u>
2024	\$ 35,000	\$ 23,775	\$ 58,775
2025	35,000	22,725	57,725
2026	35,000	21,675	56,675
2027	35,000	20,625	55,625
2028	35,000	19,575	54,575
2029	35,000	18,525	53,525
2030	35,000	17,475	52,475
2031	35,000	16,425	51,425
2032	35,000	15,375	50,375
2033	35,000	14,325	49,325
2034	35,000	13,188	48,188
2035	35,000	11,963	46,963
2036	35,000	10,738	45,738
2037	35,000	9,513	44,513
2038	35,000	8,288	43,288
2039	35,000	7,063	42,063
2040	30,000	5,925	35,925
2041	30,000	4,875	34,875
2042	30,000	3,806	33,806
2043	30,000	2,719	32,719
2044	30,000	1,631	31,631
2045	30,000	544	30,544
	<u>\$ 740,000</u>	<u>\$ 270,753</u>	<u>\$ 1,010,753</u>

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 192
TSI-5. Long-Term Debt Service Requirements
Series 2022--by Years
February 28, 2023

<u>Due During Fiscal Years Ending</u>	<u>Principal Due September 1</u>	<u>Interest Due September 1, March 1</u>	<u>Total</u>
2024	\$ 55,000	\$ 44,819	\$ 99,819
2025	60,000	42,231	102,231
2026	60,000	39,531	99,531
2027	60,000	36,831	96,831
2028	60,000	34,131	94,131
2029	65,000	32,131	97,131
2030	65,000	30,831	95,831
2031	65,000	29,531	94,531
2032	70,000	28,181	98,181
2033	70,000	26,781	96,781
2034	70,000	25,381	95,381
2035	75,000	23,838	98,838
2036	75,000	22,150	97,150
2037	75,000	20,416	95,416
2038	80,000	18,575	98,575
2039	80,000	16,625	96,625
2040	85,000	14,563	99,563
2041	85,000	12,438	97,438
2042	85,000	10,313	95,313
2043	90,000	8,125	98,125
2044	90,000	5,875	95,875
2045	95,000	3,562	98,562
2046	95,000	1,187	96,187
	<u>\$ 1,710,000</u>	<u>\$ 528,046</u>	<u>\$ 2,238,046</u>

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 192
TSI-5. Long-Term Debt Service Requirements
All Bonded Debt Series--by Years
February 28, 2023

<u>Due During Fiscal Years Ending</u>	<u>Principal Due September 1</u>	<u>Interest Due September 1, March 1</u>	<u>Total</u>
2024	\$ 195,000	\$ 194,616	\$ 389,616
2025	205,000	187,590	392,590
2026	210,000	180,169	390,169
2027	215,000	172,500	387,500
2028	220,000	164,575	384,575
2029	225,000	157,212	382,212
2030	235,000	150,212	385,212
2031	235,000	142,875	377,875
2032	250,000	135,269	385,269
2033	250,000	127,393	377,393
2034	260,000	119,207	379,207
2035	270,000	110,476	380,476
2036	275,000	101,413	376,413
2037	280,000	92,116	372,116
2038	295,000	82,113	377,113
2039	295,000	71,488	366,488
2040	305,000	60,501	365,501
2041	310,000	49,101	359,101
2042	320,000	37,369	357,369
2043	330,000	25,232	355,232
2044	340,000	12,456	352,456
2045	125,000	4,106	129,106
2046	95,000	1,187	96,187
	<u>\$ 5,740,000</u>	<u>\$ 2,379,176</u>	<u>\$ 8,119,176</u>

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 192
TSI-6. Change in Long-Term Bonded Debt
February 28, 2023

	Bond Issue			
	Series 2017 Road	Series 2018	Series 2020 Road	Series 2022
Interest rate	3.00% - 4.00%	3.00% - 4.50%	3.00% - 3.625%	2.00% - 4.50%
Dates interest payable	9/1; 3/1	9/1; 3/1	9/1; 3/1	9/1; 3/1
Maturity dates	9/1/18 - 9/1/42	9/1/20 - 9/1/43	9/1/21 - 9/1/44	9/1/22 - 9/1/45
Beginning bonds outstanding	\$ 1,355,000	\$ 2,035,000	\$ 775,000	\$ 1,765,000
Bonds retired	(40,000)	(60,000)	(35,000)	(55,000)
Ending bonds outstanding	<u>\$ 1,315,000</u>	<u>\$ 1,975,000</u>	<u>\$ 740,000</u>	<u>\$ 1,710,000</u>
Interest paid during fiscal year	<u>\$ 47,425</u>	<u>\$ 81,712</u>	<u>\$ 24,825</u>	<u>\$ 50,260</u>
Paying agent's name and city All Series	<u>The Bank of New York Mellon Trust Company, N/A. Dallas Texas</u>			
Bond Authority:	Water, Sewer and Drainage Bonds and Refunding	Recreational Facilities Bonds and Refunding	Road Facilities Bonds and Refunding	
Amount Authorized by Voters	\$ 28,600,000	\$ 5,900,000	\$ 20,150,000	
Amount Issued	(3,915,000)		(2,310,000)	
Remaining To Be Issued	<u>\$ 24,685,000</u>	<u>\$ 5,900,000</u>	<u>\$ 17,840,000</u>	

All bonds are secured with tax revenues. Bonds may also be secured with other revenues in combination with taxes.

Debt Service Fund cash and investment balances as of February 28, 2023:	<u>\$ 865,232</u>
Average annual debt service payment (principal and interest) for remaining term of all debt:	<u>\$ 353,008</u>

See accompanying auditor's report.

Totals

\$ 5,930,000

(190,000)

\$ 5,740,000

\$ 204,222

Fort Bend County Municipal Utility District No. 192
TSI-7a. Comparative Schedule of Revenues and Expenditures - General Fund
For the Last Five Fiscal Years

	Amounts				
	2023	2022	2021	2020	2019
Revenues					
Water service	\$ 106,222	\$ 73,498	\$ 75,257	\$ 50,102	\$ 44,811
Sewer service	67,696	44,807	35,879	26,760	23,116
Fire service	67,838	50,437	41,876	30,965	24,957
Property taxes	489,127	468,485	355,049	220,726	193,705
Penalties and interest	4,154	2,487	2,259	2,255	2,404
Surface water fees	148,285	87,802	79,418	56,494	44,175
Tap connection and inspection	52,930	25,305	66,878	43,880	10,545
Miscellaneous	5,676				
Investment earnings	10,817	127	303	1,358	204
Total Revenues	952,745	752,948	656,919	432,540	343,917
Expenditures					
Current service operations					
Purchased services	242,340	157,192	154,609	43,278	44,085
Professional fees	114,676	90,725	82,402	84,053	80,698
Contracted services	171,327	119,733	132,701	94,511	61,204
Repairs and maintenance	115,264	117,918	109,007	75,134	74,749
Utilities	12,764	1,475	1,153	925	806
Regional Water Authority fees				46,652	40,410
Administrative	25,360	31,700	29,194	18,690	17,002
Other	6,385	3,881	4,055	3,180	725
Total Expenditures	688,116	522,624	513,121	366,423	319,679
Revenues Over Expenditures	\$ 264,629	\$ 230,324	\$ 143,798	\$ 66,117	\$ 24,238
Total Active Retail Water Connections	270	244	202	153	112
Total Active Retail Wastewater Connections	247	232	189	143	103

*Percentage is negligible

See accompanying auditor's report.

Percent of Fund Total Revenues

2023	2022	2021	2020	2019
11%	10%	11%	12%	13%
7%	6%	5%	6%	7%
7%	7%	6%	7%	7%
51%	62%	56%	51%	56%
*	*	*	1%	1%
16%	12%	12%	13%	13%
6%	3%	10%	10%	3%
1%				
1%	*	*	*	*
100%	100%	100%	100%	100%

25%	21%	24%	10%	13%
12%	12%	13%	19%	23%
18%	16%	20%	22%	18%
12%	16%	17%	17%	22%
1%	*	*	*	*
			11%	12%
3%	4%	4%	4%	5%
1%	1%	1%	1%	*
72%	70%	79%	84%	93%
28%	30%	21%	16%	7%

Fort Bend County Municipal Utility District No. 192

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	\$ 649,218	\$ 409,666	\$ 294,863	\$ 269,130	\$ 188,227
Penalties and interest	2,657	1,631	1,390	256	164
Miscellaneous		1,480			
Investment earnings	8,299	166	662	3,675	280
Total Revenues	<u>660,174</u>	<u>412,943</u>	<u>296,915</u>	<u>273,061</u>	<u>188,671</u>
Expenditures					
Tax collection services	26,917	19,742	13,601	14,371	10,599
Debt service					
Principal	190,000	135,000	90,000	35,000	35,000
Interest and fees	206,472	161,013	155,628	138,363	67,900
Total Expenditures	<u>423,389</u>	<u>315,755</u>	<u>259,229</u>	<u>187,734</u>	<u>113,499</u>
Revenues Over Expenditures	<u>\$ 236,785</u>	<u>\$ 97,188</u>	<u>\$ 37,686</u>	<u>\$ 85,327</u>	<u>\$ 75,172</u>

*Percentage is negligible

See accompanying auditor's report.

Percent of Fund Total Revenues

2023	2022	2021	2020	2019
99%	100%	99%	99%	100%
*	*	*	*	*
	*			
1%	*	1%	1%	*
100%	100%	100%	100%	100%
4%	5%	5%	5%	6%
29%	33%	30%	13%	19%
31%	39%	52%	51%	36%
64%	77%	87%	69%	61%
36%	23%	13%	31%	39%

Fort Bend County Municipal Utility District No. 192
TSI-8. Board Members, Key Personnel and Consultants
For the Year Ended February 28, 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): September 1, 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				
Darrell Kainer	05/22 - 05/26	\$ 1,500	\$ 74	President
Erin Ring	05/20 - 05/24	2,400	1,255	Vice President
William D. Kee, III	8/22 - 05/26	1,050	82	Secretary
Matt Klein	05/20 - 05/24	1,200	20	Assistant Vice President
Julio Triana	04/22 - 05/24	1,800	115	Assistant Secretary
Barbara Brescian	05/18 - 05/22	750	49	Former Director
Consultants				
Allen Boone Humphries Robinson, LLP <i>General legal fees</i>	08/13	<u>Amounts Paid</u> \$ 72,622		Attorney
Si Environmental, LLC	03/14	115,975		Operator
Myrtle Cruz, Inc.	09/22	1,390		Bookkeeper
Tax Tech, Inc.	05/14	9,600		Tax Collector
Fort Bend Central Appraisal District	Legislation	6,880		Property Valuation
Perdue, Brandon, Fielder, Collins, & Mott, LLP		225		Delinquent Tax Attorney
Quiddity Engineering, LLC	08/13	52,173		Engineer
McGrath & Co., PLLC	08/13	16,600		Auditor
Masterson Advisors, LLC	08/18			Financial Advisor
F. Matuska, Inc.	08/13	5,823		Former Bookkeeper

* *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



BAM

**MUNICIPAL BOND
INSURANCE POLICY**

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

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

Effective Date: _____

Risk Premium: \$ _____

Member Surplus Contribution: \$ _____

Total Insurance Payment: \$ _____

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

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

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

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

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

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

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

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

SPECIAL MEMBER

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

1 World Financial Center, 27th floor

200 Liberty Street

New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN