OFFICIAL STATEMENT DATED SEPTEMBER 18, 2024

IN THE OPINION OF BOND COUNSEL, THE BONDS ARE VALID OBLIGATIONS OF GENERATION PARK MANAGEMENT DISTRICT, AND INTEREST ON THE BONDS IS EXCLUDABLE FROM GROSS INCOME FOR PURPOSES OF FEDERAL INCOME TAXATION UNDER STATUTES, REGULATIONS, PUBLISHED RULINGS, AND COURT DECISIONS EXISTING ON THE DATE OF SUCH OPINION, SUBJECT TO THE MATTERS DESCRIBED UNDER "LEGAL MATTERS" HEREIN, INCLUDING THE ALTERNATIVE MINIMUM TAX ON CERTAIN CORPORATIONS. SEE "LEGAL MATTERS" HEREIN FOR A DISCUSSION OF THE OPINION OF BOND COUNSEL.

The Bonds have NOT been designated as "qualified tax-exempt obligations" for financial institutions. See "LEGAL MATTERS – NOT Qualified Tax-Exempt Obligations."

NEW ISSUE – Book-Entry-Only

S&P Global Ratings (Insured) ...."AA"
Moody's Investors Service, Inc. (Insured) ...."A1"
Moody's Investors Service, Inc. (Underlying) ....."A3"

$42,245,000

GENERATION PARK MANAGEMENT DISTRICT

(A political subdivision of the State of Texas located in Harris County)

UNLIMITED TAX BONDS

SERIES 2024

Dated: October 1, 2024 **Due: September 1, as shown on the inside cover**

The $42,245,000 Generation Park Management District Unlimited Tax Bonds, Series 2024 (the "Bonds") are solely obligations of Generation Park Management District (the "District") and are not obligations of the State of Texas ("Texas"), Harris County, Texas (the "County"), the City of Houston, Texas (the "City"), or any political subdivision or entity other than the District.

Principal of the Bonds is payable at maturity or earlier redemption by the paying agent/registrar, initially Zions Bancorporation, National Association (the "Paying Agent/Registrar"). The Bonds are dated October 1, 2024. Interest on the Bonds accrues from the initial date of delivery (on or about October 22, 2024) and is payable on March 1, 2025, and on each September 1 and March 1 thereafter until the earlier of maturity or redemption, and will be calculated on the basis a 360-day year consisting of twelve (12) thirty (30)-day months. The Bonds are fully registered bonds in the denomination of $5,000 or any integral multiple thereof.

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 "THE BONDS – 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 directly to DTC, which will, in turn, remit such principal and interest to its participants for subsequent disbursement to the Beneficial Owners. See "THE BONDS – Book-Entry-Only System."

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

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by **ASSURED GUARANTY INC.**

ASSURED GUARANTY

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 obligations solely of the District and are not obligations of Texas, the County, the City, or any political subdivision or entity other than the District. Investment in the Bonds is subject to special investment considerations described herein. See "INVESTMENT CONSIDERATIONS."

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 Schwartz, Page & Harding, L.L.P., Bond Counsel. Delivery of the Bonds in book-entry form through DTC is expected on or about October 22, 2024.

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

$42,245,000 Generation Park Management District Unlimited Tax Bonds, Series 2024

$13,500,000 Serial Bonds

Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 37149A (b)	Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 37149A (b)
2031 (c)	$ 1,265,000	6.000%	3.000%	LJ8	2036 (c)	$ 1,555,000	4.000%	3.500%	LP4
2032 (c)	1,315,000	6.000%	3.050%	LK5	2037 (c)	1,620,000	4.000%	3.600%	LQ2
2033 (c)	1,375,000	5.500%	3.100%	LL3	2038 (c)	1,690,000	4.000%	3.700%	LR0
2034 (c)	1,430,000	4.000%	3.300%	LM1	2039 (c)	1,760,000	4.000%	3.800%	LS8
2035 (c)	1,490,000	4.000%	3.400%	LN9					

$28,745,000 Term Bonds

$6,435,000 Term Bond Due September 1, 2030 (d), Interest Rate: 6.000% (Price: $109.623) (a), CUSIP No. 37149A LH2 (b)
$3,750,000 Term Bond Due September 1, 2041 (c)(d), Interest Rate: 3.500% (Price: $93.907) (a), CUSIP No. 37149A LU3 (b)
$4,075,000 Term Bond Due September 1, 2043 (c)(d), Interest Rate: 3.500% (Price: $92.169) (a), CUSIP No. 37149A LW9 (b)
$4,430,000 Term Bond Due September 1, 2045 (c)(d), Interest Rate: 3.500% (Price: $90.983) (a), CUSIP No. 37149A LY5 (b)
$4,820,000 Term Bond Due September 1, 2047 (c)(d), Interest Rate: 3.750% (Price: $93.424) (a), CUSIP No. 37149A MA6 (b)
$5,235,000 Term Bond Due September 1, 2049 (c)(d), Interest Rate: 3.750% (Price: $92.367) (a), CUSIP No. 37149A MC2 (b)

(a) Information with respect to the initial reoffering yields of the Bonds is the responsibility of the Initial Purchaser (herein defined). Initial reoffering yields represent the initial offering price, which may be changed for subsequent purchasers. The initial yield indicated above represents the lower of the yields resulting when priced to maturity or to the first call date.

(b) CUSIP numbers have been assigned to the Bonds by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association, and are included solely for the convenience of the owners of the Bonds.

(c) The Bonds maturing on or after September 1, 2031, shall be subject to redemption and payment at the option of the District, in whole or from time to time in part, on September 1, 2030, or on any date thereafter, at a price of par plus accrued interest to the date fixed for redemption. See "THE BONDS – Redemption Provisions – *Optional Redemption*."

(d) Subject to mandatory redemption by lot or other customary method of random selection on September 1 in the years and in the amounts set forth under "THE BONDS – Redemption Provisions – *Mandatory Redemption*."

USE OF INFORMATION IN OFFICIAL STATEMENT

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

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

All of the summaries of the statutes, resolutions, contracts, audited financial statements, and engineering and other related reports set forth in this Official Statement are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents, copies of which are available from the District c/o Schwartz, Page & Harding, L.L.P., 1300 Post Oak Blvd., Suite 2400, Houston, Texas 77056, upon payment of the costs for duplication thereof.

This Official Statement contains, in part, estimates, assumptions, and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates, assumptions, or matters of opinion, or 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, and thereafter only as specified in "PREPARATION OF OFFICIAL STATEMENT – Updating of Official Statement."

Assured Guaranty Inc. ("AG") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AG 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 AG supplied by AG and presented under "MUNICIPAL BOND INSURANCE" and "APPENDIX B – Specimen Municipal Bond Insurance Policy."

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SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the Bonds, the District has accepted the lowest bid, which was tendered by SAMCO Capital Markets, Inc. (the "Initial Purchaser"). The Initial Purchaser has agreed to purchase the Bonds, bearing the interest rates on the inside cover of this Official Statement, at a price of 98.511076% of the principal amount thereof, which resulted in a net effective interest rate of 3.988337%, calculated pursuant to Chapter 1204, Texas Government Code, as amended.

Prices and Marketability

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

The delivery of the Bonds is conditioned upon the receipt by the District of a certificate executed and delivered by the Initial Purchaser on or before the date of delivery of the Bonds stating the prices at which a substantial amount of the Bonds of each maturity has been sold to the public. Otherwise, the District has no understanding with the Initial Purchaser regarding the reoffering yields or prices of the Bonds. Information concerning reoffering yields or prices is the responsibility of the Initial Purchaser.

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

Securities Laws

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

MUNICIPAL BOND INSURANCE

Bond Insurance Policy

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

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

Assured Guaranty Inc.

AG is a Maryland domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL" and together with its subsidiaries, "Assured Guaranty"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO." AGL, through its subsidiaries, provides credit enhancement products to the U.S. and non-U.S. public finance (including infrastructure) and structured finance markets and participates in the asset management business through ownership interests in Sound Point Capital Management, LP and certain of its investment management affiliates. Only AG is obligated to pay claims under the insurance policies AG has issued, and not AGL or any of its shareholders or other affiliates.

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

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

On August 1, 2024, Assured Guaranty Municipal Corp., a New York domiciled financial guaranty insurance company and an affiliate of AG ("AGM"), merged with and into AG, with AG as the surviving company (such transaction, the "Merger"). Upon the Merger, all liabilities of AGM, including insurance policies issued or assumed by AGM, became obligations of AG.

Current Financial Strength Ratings

On July 10, 2024, Moody's, following Assured Guaranty's announcement of the Merger, announced that it had affirmed AG's insurance financial strength rating of "A1" (stable outlook).

On May 28, 2024, S&P announced it had affirmed AG's financial strength rating of "AA" (stable outlook). On August 1, 2024, S&P stated that following the Merger, there is no change in AG's financial strength rating of "AA" (stable outlook).

On October 20, 2023, KBRA announced it had affirmed AG's insurance financial strength rating of "AA+" (stable outlook). On August 1, 2024, KBRA commented that, following the closing of the Merger, AG's insurance financial strength rating of "AA+" (stable outlook) remains unchanged.

AG can give no assurance as to any further ratings action that S&P, Moody's and/or KBRA may take. For more information regarding AG's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

Capitalization of AG, AGM and Pro Forma Combined AG

	As of June 30, 2024 (dollars in millions)		
	AG **(Actual)**	**AGM** **(Actual)**	**AG** **(Pro Forma Combined)**
Policyholders' surplus	$1,649	$2,599	$3,960[1]
Contingency reserve	$421	$910	$1,331
Net unearned premium reserves and net deferred ceding commission income	$355	$2,078[2]	$2,433[2]

[1] Net of intercompany eliminations.

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

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

Incorporation of Certain Documents by Reference

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

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

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

(iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2024 (filed by AGL with the SEC on August 8, 2024).

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

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

Miscellaneous Matters

AG makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AG 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 AG supplied by AG and presented under the heading "MUNICIPAL BOND INSURANCE."

RATINGS

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

The Bonds are expected to receive an insured rating of "A1" (stable outlook) from Moody's solely in reliance upon the issuance and delivery of the Policy by AG at the time of delivery of the Bonds. Moody's has assigned an underlying rating of "A3" to the Bonds. An explanation of the ratings may be obtained from Moody's, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007. Furthermore, a security rating is not a recommendation to buy, sell or hold securities. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by Moody's, if in their judgment, circumstances so warrant. Any such revisions or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

The District is not aware of any rating assigned to the Bonds other than the ratings discussed above.

OFFICIAL STATEMENT SUMMARY

The following material is a summary of certain information contained herein and is qualified in its entirety by the more detailed information and financial statements appearing elsewhere in this Official Statement.

THE BONDS

Issuer	Generation Park Management District (the "District"), a political subdivision of the State of Texas ("Texas"), is located in Harris County, Texas (the "County"). See "THE DISTRICT."
Description	The $42,245,000 Generation Park Management District Unlimited Tax Bonds, Series 2024 (the "Bonds") mature on September 1 in the years and in the amounts set forth on inside cover of this Official Statement. The Bonds are dated October 1, 2024. Interest on the Bonds accrues from the initial date of delivery (on or about October 22, 2024) and is payable on March 1, 2025, and on each September 1 and March 1 thereafter until the earlier of maturity or redemption. See "THE BONDS – General."
Redemption Provisions	The Bonds maturing on or after September 1, 2031, shall be subject to redemption and payment at the option of the District, in whole or from time to time in part, on September 1, 2030, or on any date thereafter, at a price of par plus accrued interest to the date fixed for redemption. See "THE BONDS – Redemption Provisions – *Optional Redemption*." The Bonds maturing on September 1 in the years 2030, 2041, 2043, 2045, 2047, and 2049 are term bonds that are also subject to mandatory redemption provisions set out under "THE BONDS – Redemption Provisions – *Mandatory Redemption*."
Book-Entry-Only System	The Bonds will be initially registered and delivered only to Cede & Co., the nominee of DTC (herein defined), pursuant to the Book-Entry-Only System (herein defined). Beneficial ownership of the Bonds may be acquired in denominations of $5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the Beneficial Owners (herein defined) thereof. Principal of and interest on the Bonds will be payable by the Paying Agent/Registrar (herein defined) to Cede & Co., which will make distribution of the amounts so paid to the DTC participants for subsequent payment to the Beneficial Owners of the Bonds. See "THE BONDS – Book-Entry-Only System."
Source of Payment	Principal of and interest on the Bonds are payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property within the District. The Bonds are obligations solely of the District and are not obligations of Texas, the County, the City of Houston, Texas (the "City"), or any political subdivision or entity other than the District. See "THE BONDS – Source and Security for Payment."
Use of Proceeds	Proceeds from the sale of the Bonds will be used to finance the improvements and related costs shown under "THE BONDS – Use and Distribution of Bond Proceeds." Additionally, proceeds from the sale of the Bonds will be used to pay six (6) months of capitalized interest, developer interest, and certain other costs associated with the issuance of the Bonds. See "THE BONDS – Use and Distribution of Bond Proceeds."
NOT Qualified Tax-Exempt Obligations	The District has NOT designated the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended. See "LEGAL MATTERS – NOT Qualified Tax-Exempt Obligations."
Municipal Bond Insurance	ASSURED GUARANTY INC. ("AG"). See "MUNICIPAL BOND INSURANCE."
Ratings	S&P Global Ratings (Insured): "AA" (stable outlook). Moody's Investors Service, Inc. ("Moody's") (Insured): "A1" (stable outlook). Moody's (Underlying): "A3." See "RATINGS."

Outstanding Bonds	The District has previously issued the following bonds secured by ad valorem taxes: $4,230,000 Unlimited Tax Bonds, Series 2015; $15,725,000 Unlimited Tax Bonds, Series 2016; $9,515,000 Unlimited Tax Road Bonds, Series 2016A; $8,150,000 Unlimited Tax Park Bonds, Series 2016B; $10,795,000 Unlimited Tax Bonds, Series 2017; $5,680,000 Unlimited Tax Bonds, Series 2019; $18,300,000 Unlimited Tax Road Bonds, Series 2020; $7,985,000 Unlimited Tax Bonds, Series 2020A; $6,750,000 Unlimited Tax Bonds, Series 2022; and $11,360,000 Unlimited Tax Bonds, Series 2023. At the delivery of the Bonds, $84,380,000 principal amount of such previously issued debt will remain outstanding (the "Outstanding Bonds"). Additionally, the District has previously issued the following bonds secured by sales tax revenue: $15,350,000 Sales Tax Revenue Bonds, Series 2018 and $7,900,000 Sales Tax Revenue Bonds, Series 2021. At the delivery of the Bonds, $17,755,000 principal amount of such previously issued debt will remain outstanding.
Payment Record	The District has made timely payment of the principal and interest on its previously issued bonds.
Legal Opinion	Schwartz, Page & Harding, L.L.P.
Disclosure Counsel	McCall, Parkhurst & Horton L.L.P.
Financial Advisor	Robert W. Baird & Co. Incorporated
Engineer	IDS Engineering Group, Inc.

THE DISTRICT

Description	The District is located entirely within the County, approximately 14 miles northeast of the central business district of the City, along Sam Houston Tollway (Beltway 8). Access to the District from the City is provided via U.S. Highway 90 or Interstate Highway (IH) 10 east, then north on Beltway 8 or via U.S. Highway 59/IH 69 north then east and south on Beltway 8. The District is located wholly within the extraterritorial jurisdiction of the City. Within the District, approximately 1,325 acres are located within the boundaries of Sheldon Independent School District, approximately 1,314 acres are located within the boundaries of San Jacinto Community College District ("San Jacinto"), approximately 178 acres are located within the boundaries of Humble Independent School District; and approximately 287 acres are located within the boundaries of Lone Star College System ("Lone Star"). At the time of creation, the District contained approximately 316.448 acres and Harris County Municipal Utility District No. 402 ("MUD 402") contained approximately 601.584 acres. Prior to consolidation, MUD 402 annexed an additional approximate 487.421 acres on September 29, 2006, increasing the total area of MUD 402 to approximately 1,089.005 acres. After consolidating with MUD 402, the District's total area was approximately 1,405.445 acres. Since, the District has annexed an additional approximate 107.902 acres on December 15, 2021, and an additional approximate 145.03 acres on March 23, 2022. The current total area of the District is approximately 1,658.377 acres. The District was created pursuant to Chapter 1112, Acts of the 83rd Legislature of the State of Texas, Regular Session, 2013 (codified as Chapter 3916, Special District Local Laws Code, as amended) (the "District Act"). Subsequent to creation, the District and MUD 402 entered into the "Consolidation Agreement By and Between Harris County Municipal Utility District No. 402 and Generation Park Management District" (the "Consolidation Agreement") to consolidate the two (2) districts into one (1) district to be named Generation Park Management District, operating under the provisions of the District Act. At elections held on November 4, 2014, within the District and MUD 402, the voters of each district authorized the consolidation of the districts and the assumption by each of the other's prior

voted bond authorizations. Accordingly, all authorizations and agreements presented herein in the name of MUD 402 have since been assumed by the District by operation of law. MUD 402 was created by order of the Texas Commission on Environmental Quality (the "TCEQ") on February 16, 2005. See "THE DISTRICT – General" and "THE DISTRICT – Description."

Authority.. The rights, powers, privileges, authority, and functions of the District are established by the District Act and include, among others, the power to provide water, sewer, and drainage facilities, road facilities, and recreational facilities. See "THE DISTRICT – General."

The Bonds are issued by the District pursuant to (i) the terms and conditions of the bond order (the "Bond Order") adopted by the Board of Directors of the District on the date of the sale of the Bonds; (ii) an order of the TCEQ dated August 6, 2024; (iii) Article XVI, Section 59 of the Texas Constitution and the general laws of Texas, particularly the District Act; and (iv) various elections held within the District. See "THE BONDS – Authority for Issuance."

The Developer... The current principal developer of land in the District is McCord Development, Inc., and multiple affiliated entities thereof (collectively, "MDI"). See "THE PRINCIPAL DEVELOPER AND LANDOWNER."

The Principal Taxpayer............................... TechnipFMC plc ("FMC") is the current principal taxpayer of the District. See "THE PRINCIPAL TAXPAYER."

Status of Development .... As of July 1, 2024, completed development in the District included: Humble Independent School District's Summer Creek High School, constructed on approximately 67 acres; a Memorial Hermann Convenient Care Center, constructed on approximately 2.8 acres; Westlake Marketplace retail center, constructed on approximately 59.32 acres and comprising approximately 452,320 square feet of gross leasable space; West Lake Village retail center, constructed on approximately 4.19 acres and comprising approximately 32,025 square feet of gross leasable space; 250 Assay Street, LLC, an approximate 86,523 square foot Net Rentable Area Class-A office/mixed-use building; 255 Assay Street, LLC, a 251-unit luxury apartment complex with approximately 18,000 square feet of retail space on the ground floor; Lockwood Business Park 1, an approximate 148,500 square foot industrial office warehouse (being the initial phase of an industrial business park); Lockwood Business Park 2, an approximate 125,000 square foot building (being the second phase of the aforementioned industrial business park); Lone Star's approximate 50,000 square foot advanced technology center; Phase 1 of San Jacinto's fourth campus, the initial phase comprising an approximate 45,000 square foot building; an approximate 650,000 square foot industrial distribution building owned by EQT Exeter; an approximate 300,000 square foot manufacturing/distribution center owned by Service Wire Company; a 141-key Courtyard by Marriott hotel; and various retail and commercial establishments.

FMC owns approximately 148 acres of land in the District. FMC's corporate campus (including an approximate 365,000 square foot office building, an approximate 2,000 space parking garage, and additional office, industrial, and manufacturing buildings), comprising approximately 1,000,000 square feet of usable office and shop space, has been constructed on a portion of its land.

MDI sold land and partnered with other parties for the development of the initial phase of the approximate 52-acre mixed-use urban center named Redemption Square.

Lake Houston Beltway Associates, LLC, an affiliate of Fidelis Realty Partners, Ltd., has completed a 340-unit multi-family development on a tract adjacent to Westlake Marketplace.

In 2018, IKEA Property Inc. purchased an approximate 163.7-acre parcel along West Lake Houston Parkway for the design and construction of an approximate one (1) million square foot regional distribution/fulfillment center. IKEA has indicated it is currently land planning and designing such improvements; however, to date, no vertical construction has occurred on this tract.

Project Channel Land, LLC, an affiliate of Panattoni Development Company, purchased approximately 145 acres, on which it has constructed an approximate 1.4 million square foot industrial distribution building. The project is 100% leased to Target Corporation.

Cailt Gen Park 1, LLC, currently owned by Outrigger Industrial, purchased two (2) sites of approximately 15 and 72 acres, on which it constructed approximately 255,000 and one (1) million square foot industrial warehouse buildings, respectively.

Such development totals approximately 903 acres of developed land in the District. Additionally, there are approximately 433 acres of undeveloped but developable land in the District and approximately 323 acres of undevelopable land in the District.

INVESTMENT CONSIDERATIONS

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

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SELECTED FINANCIAL INFORMATION
(UNAUDITED)

2024 Certified Assessed Valuation See "TAX DATA" and "TAXING PROCEDURES."	$	1,186,220,038	(a)
Estimate of Assessed Valuation as of June 1, 2024 See "TAX DATA" and "TAXING PROCEDURES."	$	1,332,625,559	(b)
Direct Debt:			
The Outstanding Bonds (at the Delivery of the Bonds)	$	84,380,000	(c)
The Bonds		42,245,000	
Total	$	126,625,000	
Estimated Overlapping Debt	$	69,466,017	(d)
Total Direct and Estimated Overlapping Debt	$	196,091,017	
Direct Debt Ratios as a Percentage of the:			
2024 Certified Assessed Valuation ($1,186,220,038)		10.67	%
Estimate of Assessed Valuation as of June 1, 2024 ($1,332,625,559)		9.50	%
Ratio of Direct and Estimated Overlapping Debt as a Percentage of the:			
2024 Certified Assessed Valuation ($1,186,220,038)		16.53	%
Estimate of Assessed Valuation as of June 1, 2024 ($1,332,625,559)		14.71	%
Debt Service Fund Balance (as of August 21, 2024)	$	10,395,506	(e)
Operating Fund Balance (as of August 21, 2024)	$	9,139,739	
Capital Projects Fund Balance (as of August 21, 2024)	$	4,354,365	(f)
2023 Tax Rate:			
Water, Sewer, Drainage, and Recreational Facility Debt Service	$	0.405	
Road Facilities Debt Service		0.155	
Maintenance and Operations		0.770	
Total	$	1.330	(g)
Average Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2025-2049)	$	7,457,927	(h)
Maximum Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2040)	$	8,887,771	(h)
Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay the Average Annual Debt Service Requirement on the Outstanding Bonds and the Bonds ($7,457,927) at 95 % Tax Collections Based on the:			
2024 Certified Assessed Valuation ($1,186,220,038)	$	0.67	
Estimate of Assessed Valuation as of June 1, 2024 ($1,332,625,559)	$	0.59	
Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay the Maximum Annual Debt Service Requirement on the Outstanding Bonds and the Bonds ($8,887,771) at 95% Tax Collections Based on the:			
2024 Certified Assessed Valuation ($1,186,220,038)	$	0.79	
Estimate of Assessed Valuation as of June 1, 2024 ($1,332,625,559)	$	0.71	

(a) Represents the assessed valuation of all taxable property within the District as of January 1, 2024, as provided by the Harris Central Appraisal District (the "Appraisal District"). Such amount includes $82,901,651 of assessed valuation assigned to properties that remain under review by the Harris County Appraisal Review Board (the "Appraisal Review Board"). Such amount represents the estimated minimum amount of assessed valuation that will ultimately be approved by the Appraisal Review Board, upon which the District will levy its tax.

(b) Provided by Appraisal District for informational purposes only. This amount represents an estimate of the assessed valuation of all taxable property within the District as of June 1, 2024, and includes an estimate of assessed valuation resulting from the construction of taxable improvements from January 1, 2024, through June 1, 2024. No taxes will be levied on this value.

(c) The District also has $17,755,000 principal amount of outstanding (at the delivery of the Bonds) sales tax revenue bonds (which are secured by a separate source of revenue). See "THE BONDS – Outstanding Bonds."

(d) See "DISTRICT DEBT – Estimated Overlapping Debt."

(e) An amount equal to six (6) months of interest on the Bonds will be deposited from the proceeds from the sale of the Bonds into this account at the delivery of the Bonds. $4,334,774 is allocated to pay debt service on bonds issued for the purpose of financing water, sewer, and drainage and recreational facilities or to refund such bonds ("WSD&R Bonds") and approximately $1,755,296 is allocated to pay debt service on bonds issued for the purpose of financing road facilities or to refund such bonds ("Road Bonds"). Neither the Bond Order nor Texas law requires that the District maintain any particular balance in such fund. Although all of the Outstanding Bonds and the Bonds are payable from an unlimited tax pledge, portions of the District's ad valorem tax revenue will be allocated on a pro rata basis between debt service on WSD&R Bonds and Road Bonds, and deposited into separate sub-accounts within the District's debt service fund. Such balance does not reflect funds held for the purpose of paying debt service on the District's outstanding sales tax revenue bonds. See "THE BONDS – Funds."

(f) Represents surplus construction funds, and interest thereon, derived from the Outstanding Bonds. The Bonds, if, as, and when issued, may produce additional surplus funds. Surplus funds for construction may be expended for any lawful purpose for which surplus funds may be used, limited, however, to the purpose for which the issue of the Outstanding Bonds which produced the surplus funds were issued. Under certain circumstances, the approval of the TCEQ is required for the use of surplus funds derived from WSD&R Bonds. Of such amount, approximately $3,310,163 may be used to finance water, wastewater, and storm drainage facilities with the approval of the TCEQ and approximately $741,446 may be used to finance road facilities.

(g) The District is authorized to levy separate debt service taxes for road debt and water, sewer, drainage, and recreational facility debt, both of which are unlimited as to rate or amount. See "THE BONDS – Authority for Issuance."

(h) See "DISTRICT DEBT – Debt Service Requirement Schedule."

$42,245,000

GENERATION PARK MANAGEMENT DISTRICT

(A political subdivision of the State of Texas located in Harris County)

UNLIMITED TAX BONDS

SERIES 2024

This Official Statement provides certain information in connection with the issuance of the $42,245,000 Generation Park Management District Unlimited Tax Bonds, Series 2024 (the "Bonds") by Generation Park Management District (the "District").

The Bonds are issued by the District pursuant to (i) the terms and conditions of the bond order (the "Bond Order") adopted by the Board of Directors of the District (the "Board") on the date of the sale of the Bonds; (ii) an order of the Texas Commission on Environmental Quality (the "TCEQ") dated August 6, 2024; (iii) Article XVI, Section 59 of the Texas Constitution and the general laws of the State of Texas ("Texas"), particularly Chapter 1112, Acts of the 83rd Legislature of the State of Texas, Regular Session, 2013 (codified as Chapter 3916, Special District Local Laws Code) (the "District Act"); and (iv) various elections held within the District.

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

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

THE BONDS

General

The following is a description of some of the terms and conditions of the Bonds, which description is qualified in its entirety by reference to the Bond Order, a copy of which is available from Bond Counsel (herein defined) upon payment of the costs of duplication therefor. The Bond Order authorizes the issuance and sale of the Bonds and prescribes the terms, conditions, and provisions for the payment of the principal of and interest on the Bonds by the District.

Description

The Bonds are dated October 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 of the Bonds to the Initial Purchaser (herein defined) thereof (on or about October 22, 2024), and thereafter, from the most recent Interest Payment Date. The Bonds mature on September 1 of the years and in the amounts shown under "MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL REOFFERING YIELDS, AND CUSIPS" on the inside cover of this Official Statement. The Bonds are issued in fully registered form only in denominations of $5,000 or any integral multiple of $5,000 for any one (1) 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 (the "Registered Owners"). No physical delivery of the Bonds will be made to the purchasers thereof. See "THE BONDS – Book-Entry-Only System." Interest calculations are based upon a 360-day year comprised of twelve (12) thirty (30)-day months.

Source and Security for Payment

The Bonds, together with the Outstanding Bonds (herein defined) 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 "TAXING PROCEDURES"). Investment in the Bonds involves certain elements of risk, and all prospective purchasers are urged to examine carefully this Official Statement with respect to the investment security of the Bonds. See "INVESTMENT CONSIDERATIONS." The Bonds are obligations solely of the District and are not obligations of Texas, Harris County, Texas (the "County"), the City of Houston, Texas (the "City"), or any political subdivision or entity other than the District.

Authority for Issuance

At elections held within the District on May 10, 2008, and May 10, 2014, voters of the District authorized a total of $873,250,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing water, sewer, and drainage facilities and $215,000,000 principal amount of unlimited tax bonds for the purpose of refunding such bonds. The Bonds constitute the eighth issuance of bonds from such authorization. Following the issuance of the Bonds, a total of $768,480,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing water, sewer, and drainage facilities and $215,000,000 principal amount of unlimited tax bonds for the purpose of refunding such bonds will remain authorized but unissued.

The Bonds are issued by the District pursuant to (i) the terms and conditions of the Bond Order adopted by the Board on the date of the sale of the Bonds; (ii) an order of the TCEQ dated August 6, 2024; (iii) Article XVI, Section 59 of the Texas Constitution and the general laws of Texas, particularly the District Act; and (iv) various elections held within the District.

At the above-described elections, voters in the District also authorized a total of $167,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing recreational facilities and $48,000,000 principal amount of unlimited tax bonds for the purpose of refunding such bonds; $1,511,198,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing road facilities and $431,000,000 principal amount of unlimited tax bonds for the purpose of refunding such bonds; $611,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing electrical conduit facilities and $183,000,000 principal amount of unlimited tax bonds for the purpose of refunding such bonds; $24,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing rail facilities and $7,200,000 principal amount of unlimited tax bonds for the purpose of refunding such bonds; $2,219,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing parking facilities and $665,000,000 principal amount of unlimited tax bonds for the purpose of refunding such bonds; $57,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing public transit facilities and $17,000,000 principal amount of unlimited tax bonds for the purpose of refunding such bonds; and $51,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing facilities for an economic development program and $15,000,000 principal amount of unlimited tax bonds for the purpose of refunding such bonds. See "THE BONDS – Financing Recreational Facilities" and "THE BONDS – Financing Road Facilities." The amount of bonds issued and the remaining authorized but unissued bonds following the issuance of the Bonds are as follows:

Election Date	Amount Authorized	Purpose	Issued to Date	The Bonds	Remaining Unissued
May 10, 2014	$ 718,600,000	Water, Sewer, and Drainage	$ 62,525,000	$ 42,245,000	$ 613,830,000
May 10, 2008	154,650,000	Water, Sewer, and Drainage	-0-	-0-	154,650,000
	$ 873,250,000		$ 62,525,000	$ 42,245,000	$ 768,480,000
May 10, 2014	$ 160,000,000	Recreation Facilities	$ 8,150,000	$ -0-	$ 151,850,000
May 10, 2008	7,000,000	Recreation Facilities	-0-	-0-	7,000,000
	$ 167,000,000		$ 8,150,000	$ -0-	$ 158,850,000
May 10, 2014	$1,437,000,000	Road Facilities	$ 27,815,000	$ -0-	$ 1,409,185,000
May 10, 2008	74,198,000	Road Facilities	-0-	-0-	74,198,000
	$1,511,198,000		$ 27,815,000	$ -0-	$ 1,483,383,000
May 10, 2014	$ 611,000,000	Conduit Facilities	$ -0-	$ -0-	$ 611,000,000
May 10, 2014	24,000,000	Rail Facilities	-0-	-0-	24,000,000
May 10, 2014	2,219,000,000	Parking Facilities	-0-	-0-	2,219,000,000
May 10, 2014	57,000,000	Public Transit Facilities	-0-	-0-	57,000,000
May 10, 2014	51,000,000	Economic Development	-0-	-0-	51,000,000
Totals	$5,513,448,000		$ 98,490,000	$ 42,245,000	$ 5,372,713,000
May 10, 2014	$ 215,000,000	Water, Sewer and Drainage Refunding	$ -0-	$ -0-	$ 215,000,000
May 10, 2014	48,000,000	Recreation Facilities Refunding	-0-	-0-	48,000,000
May 10, 2014	431,000,000	Road Facilities Refunding	-0-	-0-	431,000,000
May 10, 2014	183,000,000	Electrical Conduit Facilities Refunding	-0-	-0-	183,000,000

Election Date	Amount Authorized	Purpose	Issued to Date	The Bonds	Remaining Unissued
May 10, 2014	7,200,000	Rail Facilities Refunding	$ -0-	$ -0-	$ 7,200,000
May 10, 2014	665,000,000	Parking Facilities Refunding	-0-	-0-	665,000,000
May 10, 2014	17,000,000	Public Transit Facilities Refunding	-0-	-0-	17,000,000
May 10, 2014	15,000,000	Economic Development Refunding	-0-	-0-	15,000,000
Totals	$1,581,200,000		$ -0-	$ -0-	$ 1,581,200,000

The City has issued its consent for the District to annex approximately 2,701 additional acres. This acreage currently consists of the land within Harris County Municipal Utility District No. 403 ("MUD 403"), Harris County Municipal Utility District No. 425, Harris County Municipal Utility District No. 426, Harris County Municipal Utility District No. 427, Harris County Municipal Utility District No. 428, and Harris County Municipal Utility District No. 429, as well as some additional tracts. The District intends to annex some or all of this property, but the District makes no representation when or if this acreage will eventually be annexed into the District.

Outstanding Bonds

The District has previously issued the following bonds secured by ad valorem taxes: $4,230,000 Unlimited Tax Bonds, Series 2015 (the "Series 2015 Bonds"); $15,725,000 Unlimited Tax Bonds, Series 2016 (the "Series 2016 Bonds"); $9,515,000 Unlimited Tax Road Bonds, Series 2016A (the "Series 2016A Bonds"); $8,150,000 Unlimited Tax Park Bonds, Series 2016B (the "Series 2016B Bonds"); $10,795,000 Unlimited Tax Bonds, Series 2017 (the "Series 2017 Bonds"); $5,680,000 Unlimited Tax Bonds, Series 2019 (the "Series 2019 Bonds"); $18,300,000 Unlimited Tax Road Bonds, Series 2020 (the "Series 2020 Bonds"); $7,985,000 Unlimited Tax Bonds, Series 2020A (the "Series 2020A Bonds"); $6,750,000 Unlimited Tax Bonds, Series 2022 (the "Series 2022 Bonds"); and $11,360,000 Unlimited Tax Bonds, Series 2023 (the "Series 2023 Bonds"). At the delivery of the Bonds, $84,380,000 principal amount of such previously issued debt will remain outstanding (the "Outstanding Bonds").

Additionally, the District has previously issued the following bonds secured by sales tax revenue: $15,350,000 Sales Tax Revenue Bonds, Series 2018 and $7,900,000 Sales Tax Revenue Bonds, Series 2021. At the delivery of the Bonds, $17,755,000 principal amount of such previously issued debt will remain outstanding.

Funds

The Bond Order confirms the prior creation of the District's Debt Service Fund, including the sub-accounts which are used to separate funds received to pay debt service on bonds issued to finance water, wastewater, and storm drainage, and recreational facilities or to refund such bonds ("WSD&R Bonds") from funds received to pay debt service on bonds issued to finance road facilities or to refund such bonds ("Road Bonds"). The Bond Order also confirms the District's Construction Fund, including the sub-accounts which are used to separate proceeds from WSD&R Bonds and Road Bonds. An amount equal to six (6) months of interest on the Bonds will be deposited from the proceeds from the sale of the Bonds into the sub-account of the District's Debt Service Fund created in respect of the WSD&R Bonds. All remaining proceeds of the Bonds will be deposited in the sub-account of the Construction Fund created in respect of WSD&R Bonds.

The proceeds from all taxes levied, assessed, and collected for and on account of the Bonds authorized by the Bond Order shall be deposited, as collected, into the sub-account of the Debt Service Fund created in respect of WSD&R Bonds. The Debt Service Fund, which constitutes a trust fund for the benefit of the owners of the Outstanding Bonds, the Bonds and any additional tax bonds issued by the District, is to be kept separate from all other funds of the District, and funds in the sub-account created in respect of WSD&R Bonds are to be used for payment of debt service on the Bonds and any of the District's duly authorized WSD&R Bonds, whether heretofore, hereunder, or hereafter issued, payable in whole or part from taxes. Amounts on deposit in the sub-account of the Debt Service Fund created in respect of WSD&R Bonds may also be used to pay the fees and expenses of the Paying Agent/Registrar (herein defined), to defray the expenses of assessing and collecting taxes levied for payment of interest on and principal of the Bonds and any of the District's duly authorized WSD&R Bonds, whether heretofore, hereunder, or hereafter issued, payable in whole or in part from taxes, and to pay any tax anticipation notes issued in respect of debt service due or to become due on WSD&R Bonds, together with interest thereon, as such tax anticipation notes become due. Funds otherwise on deposit in the Debt Service Fund, including funds in the sub-account created in respect of Road Bonds, will not be allocated to the payment of 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

The Bonds maturing on September 1 in the years 2030, 2041, 2043, 2045, 2047, and 2049 are term bonds (the "Term Bonds") and shall be redeemed, at a price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption, 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 "THE BONDS – Redemption Provisions – *Optional Redemption*") below:

$6,435,000 Term Bond Maturing on September 1, 2030

Mandatory Redemption Date	Principal Amount
September 1, 2025	$ 850,000
September 1, 2026	$ 1,025,000
September 1, 2027	$ 1,070,000
September 1, 2028	$ 1,115,000
September 1, 2029	$ 1,165,000
September 1, 2030 (Maturity)	$ 1,210,000

$3,750,000 Term Bond Maturing on September 1, 2041

Mandatory Redemption Date	Principal Amount
September 1, 2040	$ 1,835,000
September 1, 2041 (Maturity)	$ 1,915,000

$4,075,000 Term Bond Maturing on September 1, 2043

Mandatory Redemption Date	Principal Amount
September 1, 2042	$ 1,995,000
September 1, 2043 (Maturity)	$ 2,080,000

$4,430,000 Term Bond Maturing on September 1, 2045

Mandatory Redemption Date	Principal Amount
September 1, 2044	$ 2,170,000
September 1, 2045 (Maturity)	$ 2,260,000

$4,820,000 Term Bond Maturing on September 1, 2047

Mandatory Redemption Date	Principal Amount
September 1, 2046	$ 2,360,000
September 1, 2047 (Maturity)	$ 2,460,000

$5,235,000 Term Bond Maturing on September 1, 2049

Mandatory Redemption Date	Principal Amount
September 1, 2048	$ 2,565,000
September 1, 2049 (Maturity)	$ 2,670,000

Notice of the mandatory redemption of Term Bonds will be provided at least thirty (30) calendar days prior to the date fixed for redemption, with the particular portions of the Term Bonds to be redeemed to be selected by lot or other customary method in accordance with the procedures of DTC so long as the Bonds are registered in accordance with the Book-Entry-Only System. See "THE BONDS – Book-Entry-Only System."

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 maturity or maturities and the amounts thereof to be redeemed shall be determined by the District. If fewer than all of the Bonds of the same maturity are to be redeemed, the particular Bonds shall be selected by DTC in accordance with its procedures, so long as the Bonds are registered in accordance with the Book-Entry-Only System. See "THE BONDS – Book-Entry-Only System." If less than all of the entire outstanding principal amount of a Term Bond is to be redeemed, the District will notify the Paying Agent/Registrar of the reductions in the remaining mandatory redemption amounts to result from the optional redemption. Notice of each exercise of the reserved right of optional redemption shall be given by the Paying Agent/Registrar at least 30 calendar days prior to the redemption date, in the manner specified in the Bond Order.

Effects of Redemption

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

Method of Payment of Principal and Interest

The Board has appointed Zions Bancorporation, National Association, as the initial paying agent/registrar for the Bonds (the "Paying Agent/Registrar"). The principal of and interest on the Bonds shall be paid to DTC, which will make distribution of the amounts so paid. See "THE BONDS – Book-Entry-Only System."

Registration

Section 149(a) of the Internal Revenue Code of 1986, as amended, requires that all tax-exempt obligations (with certain exceptions that do not include the Bonds) be in registered form in order for the interest payable on such obligations to be excludable from a Beneficial Owner's income for federal income tax purposes. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. pursuant to the Book-Entry-Only System. One (1) fully-registered Bond will be issued for each maturity of the Bonds and will be deposited with DTC. See "THE BONDS – Book-Entry-Only System." So long as any Bonds remain outstanding, the District will maintain at least one (1) paying agent/registrar in Texas for the purpose of maintaining the register on behalf of the District.

Replacement of Paying Agent/Registrar

Provision is made in the Bond Order for replacement of the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the District, the new paying agent/registrar shall be required to accept the previous Paying Agent/Registrar's records and act in the same capacity as the previous Paying Agent/Registrar. Any paying agent/registrar selected by the District shall be a duly qualified and competent trust or banking corporation or organization organized and doing business under the laws of the United States of America or of any State thereof, with a combined capital and surplus of at least $25,000,000, which is subject to supervision of or examination by federal or state banking authorities, and which is a transfer agent duly registered with the United States Securities and Exchange Commission (the "SEC").

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

Voters of the District have authorized the issuance of a total of $873,250,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing water, sewer, and drainage facilities and could authorize additional amounts. Following the issuance of the Bonds, the District will have a total of $768,480,000 principal amount of unlimited tax bonds authorized but unissued for said improvements and facilities. Voters of the District have also authorized the issuance, in total, of (i) $167,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing recreational facilities; (ii) $1,511,198,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing road facilities; (iii) $611,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing electrical conduit facilities; (iv) $24,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing rail facilities; (v) $2,219,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing parking facilities; (vi) $57,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing public transit facilities; and (vii) $51,000,000 principal amount of unlimited tax bonds for the purpose of economic development, and could authorize additional amounts. The District voters have also authorized a total of $1,581,200,000 principal amount of unlimited tax refunding bonds for the purpose of refunding outstanding bonds of the District and could authorize additional amounts. To date, seven (7) series of unlimited bonds for water, sewer, and drainage facilities aggregating $62,525,000 in principal amount, one (1) series of unlimited tax bonds for recreational facilities aggregating $8,150,000 in principal amount, and two (2) series of unlimited tax bonds for road facilities aggregating $27,815,000 in principal amount have been issued from said authorizations. No bonds have been issued from said unlimited tax conduit facilities authorization, unlimited tax rail facilities authorization, unlimited tax parking facilities authorization, unlimited tax public transit facilities authorization, unlimited tax economic development authorization and unlimited tax refunding authorizations. See "THE BONDS – Financing Recreational Facilities" and "THE BONDS – Financing Road Facilities."

The Bond Order imposes no limitation on the amount of additional parity bonds which may be authorized for issuance by the District's voters or the amount ultimately issued by the District. Bonds issued for water, sewer, and drainage facilities are required to be approved by the TCEQ.

The District also is authorized by statute to engage in fire-fighting activities, including the issuing of bonds payable from taxes for such purpose. Before the District could issue fire-fighting bonds payable from taxes, the following actions would be required: (a) authorization of a detailed master plan and bonds for such purpose by the qualified voters in the District; (b) approval of the master plan and issuance of bonds by the TCEQ; and (c) approval of bonds by the Attorney General of Texas. The District does not provide fire protection service, and the Board has not considered calling such an election for approval of bonds for fire-fighting activities at this time. The District has contracted with Harris County Emergency Services District No. 60 to provide fire protection service within the boundaries of the District. Issuance of bonds for fire-fighting activities could dilute the investment security for the Bonds.

Financing Road Facilities

Pursuant to provisions of the Texas Constitution and the District Act, the District is authorized to develop and finance with property taxes certain road facilities following a successful District election to approve the issuance of road bonds payable from taxes. At elections held within the District on May 10, 2008, and May 10, 2014, voters of the District authorized a total of $1,511,198,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing road facilities. The District has issued $27,815,000 in road bonds from said authorizations and could issue additional amounts. See "THE BONDS – Issuance of Additional Debt" and "INVESTMENT CONSIDERATIONS – Future Debt." Issuance of additional bonds for road facilities may dilute the security for the Bonds.

Financing Recreational Facilities

Conservation and reclamation districts in certain counties are authorized to develop and finance with property taxes certain recreational facilities after a district election has been successfully held to approve the issuance of bonds payable from taxes and/or a maintenance tax to support recreational facilities.

The District is authorized to issue bonds payable from an ad valorem tax and/or levy a maintenance tax to pay for the development and maintenance of recreational facilities if (i) the bonds are authorized at an election; (ii) the District obtains any necessary governmental consents allowing the issuance of such bonds; and (iii) the bonds are approved by the Attorney General of Texas. The District may issue bonds for such purposes payable solely from net operating revenues without an election.

At elections held within the District on May 10, 2008, and May 10, 2014, voters of the District authorized a total of $167,000,000 in principal amount of unlimited tax bonds for financing and constructing recreational facilities. The District has issued an aggregate of $8,150,000 principal amount of unlimited tax bonds for financing and constructing recreational facilities from said authorizations and could issue additional amounts.

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

Annexation

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City, the District may be annexed for full purposes by the City, subject to compliance by the City with various requirements of Chapter 43 of the Texas Local Government Code, as amended. Such requirements may include the requirement that the City hold an election in the District whereby the qualified voters of the District approve the proposed annexation. If the District is annexed, the City must assume the District's assets and obligations (including the Bonds and the Outstanding Bonds) and abolish the District within 90 days of the date of annexation. Annexation of territory by the City is a policy-making matter within the discretion of the Mayor and City Council of the City, and, therefore, the District makes no representation that the City will ever attempt to annex the District and assume its debt. Moreover, no representation is made concerning the ability of the City to make debt service payments should annexation occur.

Consolidation

Pursuant to the District Act, the District has the legal authority to consolidate with other municipal management districts and municipal utility districts and, in connection therewith, to provide for the consolidation of its water and wastewater systems with the water and wastewater systems of the district or districts with which it is consolidating, subject to voter approval. In their consolidation agreement, the consolidating districts may agree to assume each other's bonds, notes, and other obligations. If each district assumes the other's bonds, notes, and other obligations, taxes may be levied uniformly on all taxable property within the consolidated district in payment of same. If the districts do not assume each other's bonds, notes, and other obligations, each district's taxes are levied on property in each of the original districts to pay said debts created by the respective original district as if no consolidation had taken place. The District has heretofore consolidated with Harris County Municipal Utility District No. 402 ("MUD 402"), and the District and MUD 402 entered into a Consolidation Agreement whereby each of them assumed the other's rights, titles, property, obligations, and voted but unissued bonds payable in whole or in part from taxation. No representation is made concerning whether the District will further consolidate with any other district, but the District currently has no plans to do so.

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 Order, or defaults in the observance or performance of any other covenants, conditions, or obligations set forth in the Bond Order, the Registered Owners have the right to seek a writ of mandamus issued by a court of competent jurisdiction requiring the District and its officials to observe and perform the covenants, obligations, or conditions prescribed in the Bond Order. Except for mandamus, the Bond Order does not specifically provide for remedies to protect and enforce the interests of the Registered Owners. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Further, there is no trust indenture or trustee, and all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the Registered Owners. Certain traditional legal remedies also may not be available. See "INVESTMENT CONSIDERATIONS – Registered Owners' Remedies."

Defeasance

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

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 Order does not contractually limit such investments, Registered Owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under Texas law.

Book-Entry-Only System

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

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

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be required by an authorized representative of DTC. One (1) fully-registered Bond certificate will be issued for each of the Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (the "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 (the "Indirect Participants," and together with the Direct Participants, the "Direct and Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC rules applicable to its Direct and Indirect Participants are on file with the SEC. 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 holder of ownership interest of each actual purchase of each Bond (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

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

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

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

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

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

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

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

Use of Certain Terms in Other Sections of this Official Statement

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

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Use and Distribution of Bond Proceeds

The construction costs below were compiled by the Engineer (herein defined). Non-construction costs are based upon either contract amounts, or estimates of various costs by the Engineer and the Financial Advisor. The actual amounts to be reimbursed by the District and the non-construction costs will be finalized after the sale of the Bonds and completion of agreed-upon procedures by the District's auditor. The surplus funds, if any, may be expended for any lawful purpose for which surplus construction funds may be used, limited, however, to the purposes for which the Bonds were issued and subject to the approval of the TCEQ.

CONSTRUCTION COSTS	
A. Developer Contribution Items	
1. Detention Pond 3	$ 3,080,664
2. Lockwood Business Park Public Utilities	512,627
3. GP South Phase 1 Drainage	20,830,271
4. GP South Duct Bank Phase 1	2,696,265
5. GP South Sec. 1 – Timber Forest & Common Dock Storm Sewer/Drainage & LS 6	8,915,828
Total Developer Contribution Items	$ 36,035,655
B. District Items	
None	$ –
Gross Construction Costs	$ 36,035,655
Less: Surplus Funds	$ (512,627)
TOTAL CONSTRUCTION COSTS (84.32% of BIR)	**$ 35,523,028**
NON-CONSTRUCTION COSTS	
Bond Discount	$ 628,996
Capitalized Interest (6 Months)	902,156
Developer Interest	3,369,734
Contingency (a)	211,454
TOTAL NON-CONSTRUCTION COSTS	**$ 5,112,340**
ISSUANCE COSTS AND FEES	
Issuance Costs and Professional Fees	$ 1,494,520
State Regulatory Fees	115,112
TOTAL ISSUANCE COSTS AND FEES	**$ 1,609,632**
TOTAL BOND ISSUE REQUIREMENT	**$ 42,245,000**

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

The Engineer has advised the District that proceeds of the sale of the Bonds should be sufficient to pay the costs of the above-described facilities. However, the District cannot and does not guarantee the sufficiency of such funds for such purposes.

THE DISTRICT

General

The District is a special district created pursuant to the District Act. Subsequent to creation, the District and MUD 402 entered into the Consolidation Agreement to consolidate the two (2) districts into one (1) district to be named Generation Park Management District, operating under the provisions of the District Act. At elections held on November 4, 2014, within the District and MUD 402, the voters of each district authorized the consolidation of the districts and the assumption by each of the other's prior voted bond authorizations. Accordingly, all authorizations and agreements presented in this report in the name of MUD 402 have since been assumed by the District by operation of law. MUD 402 was created by order of TCEQ on February 16, 2005. The District, which lies wholly within the extraterritorial jurisdiction of the City, is subject to the continuing supervisory jurisdiction of the TCEQ with respect to water, sewer, and drainage facilities.

The District is empowered, among other things, to finance, purchase, construct, operate, and maintain all works, improvements, facilities, and plants necessary for the supply and distribution of water; the collection, transportation, and treatment of wastewater; 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 finance certain road improvements, provide solid waste collection and disposal service, finance, operate, maintain, and construct recreational facilities, and establish, operate, and maintain fire-fighting facilities, separately or jointly with one (1) or more conservation and reclamation districts, municipalities, or other political subdivisions, after approval by the City, the TCEQ, and the voters of the District. The District is also empowered, under the District Act, to undertake public parking facilities, electrical conduit facilities, rail facilities, and public transit facilities and economic development projects. See "THE BONDS – Issuance of Additional Debt," "THE BONDS – Financing Recreational Facilities," and "THE BONDS – Financing Road Facilities."

The District is required to observe certain requirements of the City which limit the purposes for which the District may sell bonds to the purposes set forth in the District Act; limit the net effective interest rate on such bonds and other terms of such bonds; require approval by the City of certain District construction plans; permit connections only to lots and reserves described in a plat that has been approved by the City and filed in the real property records of the County, as applicable; and, either obtain the approval of the City with respect to the issuance of certain bonds or a capital improvements budget for a period not to exceed ten (10) years. Construction and operation of the District's water, sewer, and drainage system is subject to the regulatory jurisdiction of additional Texas and local agencies. See "THE WATER, SEWER AND DRAINAGE SYSTEM."

Description

The District is located entirely within the County, approximately 14 miles northeast of the central business district of the City, in the northeastern part of the County, along the Sam Houston Tollway (Beltway 8). Access to the District from the City is provided via U.S. Highway 90 or Interstate Highway (IH) 10 east, then north on Beltway 8 or via U.S. Highway 59/IH 69 north then east and south on Beltway 8. The District lies entirely within the exclusive extraterritorial jurisdiction of the City. Within the District, approximately 1,325 acres are located within the boundaries of Sheldon Independent School District, approximately 1,314 acres are located within the boundaries of San Jacinto Community College District ("San Jacinto"), approximately 178 acres are located within the boundaries of Humble Independent School District; and approximately 287 acres are located within the boundaries of Lone Star College System ("Lone Star").

At the time of creation, the District contained approximately 316.448 acres and MUD 402 contained approximately 601.584 acres. Prior to consolidation, MUD 402 annexed an additional approximate 487.421 acres on September 29, 2006, increasing the total area of MUD 402 to approximately 1,089.005 acres. After consolidating with MUD 402, the District's total area was approximately 1,405.445 acres. Since, the District has annexed an additional approximate 107.902 acres on December 15, 2021, and an additional approximate 145.03 acres on March 23, 2022. The current total area of the District is approximately 1,658.377 acres.

The City has issued its consent for the District to annex approximately 2,701 additional acres. This acreage currently consists of the land within MUD 403, Harris County Municipal Utility District No. 425, Harris County Municipal Utility District No. 426, Harris County Municipal Utility District No. 427, Harris County Municipal Utility District No. 428, and Harris County Municipal Utility District No. 429, as well as some additional tracts. The District intends to annex some or all of this property, but the District makes no representation when or if this acreage will eventually be annexed into the District.

Generation Park

The District is primarily located within an approximate 4,350-acre commercial enterprise park known as "Generation Park" being developed by MDI (herein defined). Located in the City's northeast corridor, Generation Park, a master-planned development is projected to consist of approximately 40,000,000 square feet of office buildings, warehouses, mixed-use retail centers, multi-family properties, restaurants, medical office buildings, hotels, and academic institutions. Spanning approximately 2.5 miles on Beltway 8, Generation Park is located approximately 10 minutes from George Bush Intercontinental Airport, approximately 15 minutes from the Port of Houston, Texas, approximately 20 minutes from the central business district of the City and approximately 25 minutes from William P. Hobby Airport. Access is provided by five (5) interchanges direct to Beltway 8 and it is approximately 15 minutes or less to Interstates 45 and 10 and Highway 59. A portion of Generation Park, approximately 200 acres, is a subzone of Foreign Trade Zone 84, providing tax advantages for companies that import and export goods through the port and airport. In addition, there are an estimated 13,000 homes being constructed, or recently constructed, within an approximate seven (7) mile radius of Generation Park, providing both a large workforce for companies locating at Generation Park and housing opportunities for their employees that locate there.

Status of Development

As of July 1, 2024, completed development in the District included: Humble Independent School District's Summer Creek High School, constructed on approximately 67 acres; a Memorial Hermann Convenient Care Center, constructed on approximately 2.8 acres; Westlake Marketplace retail center, constructed on approximately 59.32 acres and comprising approximately 452,320 square feet of gross leasable space; West Lake Village retail center, constructed on approximately 4.19 acres and comprising approximately 32,025 square feet of gross leasable space; 250 Assay Street, LLC, an approximate 86,523 square foot Net Rentable Area Class-A office/mixed-use building; 255 Assay Street, LLC, a 251-unit luxury apartment complex with approximately 18,000 square feet of retail space on the ground floor; Lockwood Business Park 1, an approximate 148,500 square foot industrial office warehouse (being the initial phase of an industrial business park); Lockwood Business Park 2, an approximate 125,000 square foot building (being the second phase of the aforementioned industrial business park); Lone Star's approximate 50,000 square foot advanced technology center; Phase 1 of San Jacinto's fourth campus, the initial phase comprising an approximate 45,000 square foot building; an approximate 650,000 square foot industrial distribution building owned by EQT Exeter; an approximate 300,000 square foot manufacturing/distribution center owned by Service Wire Company; a 141-key Courtyard by Marriott hotel; and various retail and commercial establishments.

FMC (herein defined) owns approximately 148 acres of land in the District. FMC's corporate campus (including an approximate 365,000 square foot office building, an approximate 2,000 space parking garage, and additional office, industrial, and manufacturing buildings), comprising approximately 1,000,000 square feet of usable office and shop space, has been constructed on a portion of its land.

MDI sold land and partnered with other parties for the development of the initial phase of the approximate 52-acre mixed-use urban center named Redemption Square.

Lake Houston Beltway Associates, LLC, an affiliate of Fidelis Realty Partners, Ltd., has completed a 340-unit multi-family development on a tract adjacent to Westlake Marketplace.

In 2018, IKEA Property Inc. purchased an approximate 163.7-acre parcel along West Lake Houston Parkway for the design and construction of an approximate one (1) million square foot regional distribution/fulfillment center. IKEA has indicated it is currently land planning and designing such improvements; however, to date, no vertical construction has occurred on this tract.

Project Channel Land, LLC, an affiliate of Panattoni Development Company, purchased approximately 145 acres, on which it has constructed an approximate 1.4 million square foot industrial distribution building. The project is 100% leased to Target Corporation.

Cailt Gen Park 1, LLC, currently owned by Outrigger Industrial, purchased two (2) sites of approximately 15 and 72 acres, on which it constructed approximately 255,000 and one (1) million square foot industrial warehouse buildings, respectively.

Such development totals approximately 903 acres of developed land in the District. Additionally, there are approximately 433 acres of undeveloped but developable land in the District and approximately 323 acres of undevelopable land in the District.

Future Development

There are approximately 433 undeveloped but developable acres in the District and there are approximately 323 acres that are undevelopable. MDI is the current owner of all such undeveloped but developable acres. The District can make no representation that any future development will occur within the District. In the event that future development does occur within the District, it is anticipated that the development costs will be financed through the sale of future bond issues.

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Management of the District

The District is governed by the Board, consisting of five (5) directors, which has control over and management and supervision of all affairs of the District. All directors serve four (4)-year staggered terms and all elections are held the first Saturday in May in even-numbered years.

Name	Position	Term Expires May
Charles W. Neuhaus	President	2026
John R. Deboben III	Vice President	2026
Davis K. Rushing	Secretary	2026
Brent C. Hodges	Assistant Secretary	2028
Jonathan C. Tauber	Director	2028

The District contracts with the following companies and individuals to provide certain necessary services, as follows:

Tax Assessor/Collector – The District's tax assessor/collector is Utility Tax Service, LLC (the "Tax Assessor/Collector").

Bookkeeper – The District's bookkeeper is Municipal Accounts & Consulting, L.P.

Utility System Operator – The District's operator is Environmental Development Partners, LLC (the "Operator"), a division of Inframark, LLC.

Auditor – The financial statements of the District as of April 30, 2024, and for the year then ended, included in this offering document have been audited by Forvis Mazars, LLP, independent auditors, as stated in their report appearing herein. See "APPENDIX A."

Engineer – The consulting engineers retained by the District in connection with the design and construction of the District's facilities is IDS Engineering Group, Inc. (the "Engineer").

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

Disclosure Counsel – McCall, Parkhurst & Horton L.L.P. ("Disclosure Counsel") serves as disclosure counsel in relation to the issuance of the Bonds. The fee to be paid Disclosure Counsel for services rendered in connection with the issuance of the Bonds is contingent on the issuance, sale, and delivery of the Bonds.

Financial Advisor – Robert W. Baird & Co. Incorporated (the "Financial Advisor") serves as financial advisor to the District. The fee for services rendered in connection with the issuance of the Bonds is based on a percentage of the Bonds actually issued, sold, and delivered and, therefore, such fee is contingent upon the sale and delivery of the Bonds. See "PREPARATION OF OFFICIAL STATEMENT – Consultants."

THE PRINCIPAL DEVELOPER AND LANDOWNER

The Role of a Developer

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

McCord Development, Inc.

McCord Development, Inc., through multiple affiliated companies (MRA GP West, L.P., MRA GP S&U, L.P., MRA Northeast L.P., and MRA Northeast #2, L.P.) (collectively, "MDI"), is currently the principal landowner within the District, in terms of acreage owned, with approximately 550.4 acres. MDI currently owns land constituting approximately 1.85% of the District's 2024 certified assessed valuation. MDI is a real estate company engaged in the acquisition, development, and management of office, industrial, land, single-family and multi-family assets. Founded in 1973, MDI has acquired or developed more than $2 billion in projects across the United States over its 50-year history. As the principal developer, MDI is funding the development of major facilities to serve the District, with the intention of selling tracts of land to other developers which will be responsible for providing infrastructure for their tracts. Neither MDI nor its affiliates sell improved tracts within the District. The District cautions that the foregoing development experience was gained in different markets and under different circumstances than exist today, and any prior success is no indication or guarantee of success in the development of land within the District.

Developer Financing

Development of Generation Park is provided through a bank infrastructure loan secured by an assignment of MDI's Facilities Reimbursement Agreement and a first lien deed of trust on a portion of land owned by MDI in the Generation Park development. According to the Developer, it is in compliance with all material terms of its loan agreement.

THE PRINCIPAL TAXPAYER

TechnipFMC plc

FMC owns approximately 148 acres of land in the District. FMC's corporate campus (including an approximate 365,000 square foot office building, an approximate 2,000 space parking garage, and additional office, industrial, and manufacturing buildings), comprising approximately 1,000,000 square feet of usable office and shop space, has been constructed on a portion of its land.

On May 19, 2016, FMC Technologies, Inc. and Technip, a French based construction/engineering firm, announced their plans to merge and form a new company called TechnipFMC plc. The merger closed in the first quarter of 2017. TechnipFMC plc is a publicly traded company whose registration statements, periodic reports and other publicly available financial information are available at the SEC's EDGAR website at http://www.sec.gov/edgar.shtml. The combined company is referred to herein as "FMC."

In December 2020, FMC entered into a synthetic lease agreement with FTITX001 LLC ("FTIT"), an entity created by FMC for such purpose. FTIT became the legal owner of the qualified real property assets associated with the project, while FMC retained ownership of the business personal property associated with the project. Throughout this Official Statement, FTIT (the lessor entity) is included with FMC (the parent company). The property owned by FMC represents approximately 36.17% of the 2024 certified assessed valuation of all taxable property, including personal property, located within the District. See "TAX DATA – Principal Taxpayers."

THE ROAD SYSTEM

The road system serves the District by providing access within Generation Park and the surrounding area. The major thoroughfares and collector streets serving the District include Lockwood Road, West Lake Houston Parkway, Generation Parkway, Subsea Lane, Timber Forest Drive, and Common Dock Drive (commercial street). All roads provide access to Beltway 8/Sam Houston Tollway. The District is financing, designing, and constructing the road system in phases as development progresses. The major thoroughfares and collectors and a portion of the local streets are owned, operated, and maintained by the County as the component portions are completed and accepted by the County. A portion of the existing road system consists of local streets that are not only financed and constructed by the District, but also owned and maintained by the District. These roads include Redemption Square Road, North Redemption Square Road, and Assay Street.

THE PARK SYSTEM

The park system for the District includes West Lake Park, the Redemption Square Linear Park and plaza, Grandfather's Lake, Heron Lake, and landscaped streets with pedestrian and bike trails. West Lake Park is an approximate 20-acre park comprised of an approximate 17-acre lake surrounded by a landscaped pedestrian trail, approximately 3/4 miles in length. Grandfather's Lake is an approximate 31-acre park comprised of an approximate 24-acre lake. Heron Lake (which has not yet been completed and conveyed to the District) is an approximate 27-acre park comprised of an approximate 18-acre lake. The Redemption Square Linear Park and urban plaza provides a public activity and gathering space within the highly urbanized mixed-use portion of the development. The District has also acquired a three (3) mile pedestrian and bike trail loop within the District, which serves to connect development within Generation Park.

THE WATER, SEWER, AND DRAINAGE SYSTEM

Regulation

According to the Engineer, the water distribution and wastewater collection lines constructed by the District (the "Water, Sewer and Drainage System") have been designed in accordance with accepted engineering practices and the requirements of all governmental agencies having regulatory or supervisory jurisdiction over the construction and operation of such facilities including, among others, the TCEQ, the City, and the County. According to the District's Engineer, the design of all such completed facilities has been approved by all required governmental agencies and inspected by the TCEQ.

Operation of the District's waterworks and sewer treatment facilities is subject to regulation by, among others, the Environmental Protection Agency and the TCEQ.

The District lies in Zone 2 and Zone 3 of the Harris-Galveston Subsidence District (the "Subsidence District"). The District currently receives its water supply from the City. On October 15, 2015, the District entered into a Groundwater Reduction Plan Participation Agreement with the City. This agreement allows the District to pump up to 1.2 billion gallons of ground water annually from the existing and future water wells.

Water Supply

Water supply for the portion of the District located on the west side of Beltway 8 is provided by the District's West Water Plant No. 1 located within the District. The plant stores and distributes (i) treated surface water provided by the City pursuant to the "Treated Surface Water Supply Contract Between the City of Houston, Texas, and Marhaba Partners Limited Partnership on Behalf of the Proposed Harris County Municipal Utility District No. 402," dated June 2, 2005, which has been assigned to the District, and (ii) treated ground water supplied by the District's remote water well in accordance with District's Groundwater Reduction Plan Participation Agreement with the City. The surface water supply agreement was amended effective September 28, 2015, to allow for an increase in the delivery limits to 435,000 gallons per day. Pursuant to the "Agreement for Joint Financing, Construction and Maintenance of Water Trunkline" dated May 9, 2006, MUD 402, along with MUD 403 and Harris County MUD No. 148 ("MUD 148") have constructed a 24-inch water transmission line along Lockwood Drive which connects to an existing City owned 84-inch water transmission line along the Sam Houston Tollway. The shared 24-inch water transmission line delivers wholesale treated water to the District as well as continuing south along Lockwood Drive into MUD 403 and MUD 148. Ground water is conveyed to the water plant from the 2,200 gpm remote water well through a 12-inch water line.

The District's West Water Plant No. 1 consists of two (2) 20,000 gallon pressure tanks, a 429,000 gallon bolted steel ground storage tank, a 1,095,000 gallon concrete ground storage tank, and four (4) booster pumps with a total capacity of 4,000 gpm. The District's water plant is capable of serving 2,500 equivalent single-family connections ("ESFCs"). This is sufficient to serve the existing 1,466 ESFCs within the portion of the District located on the west side of Beltway 8.

Pursuant to the agreement titled "Emergency Water Supply Contract" dated July 15, 2020, an emergency interconnect was constructed between MUD 148 and the District, located along the boundary of the District and MUD 148, approximately 160 feet west of the intersection of Haroldson Forest Drive and Drummond Park Drive.

Water supply for the portion of the District located on the east side of Beltway 8 is provided by the South Water Plant No. 1. The South Water Plant No. 1 Phase 1 consists of two (2) water wells with a total capacity of 2,000 gpm, a 15,000 gallon pressure tank, a 250,000 gallon bolted steel ground storage tank, and three (3) booster pumps with a total capacity of 3,000 gpm. The South Water Plant No. 1 is capable of serving the development east of Beltway 8 within the District.

Wastewater Treatment

Wastewater treatment for the portion of the District located on the west side of Beltway 8 is provided by a 640,000 gallon per day interim West Wastewater Treatment Plant leased by the District. The plant currently has an ultimate permitted capacity of 2.8 MGD. The District's wastewater capacity is capable of serving 2,133 ESFCs, which is sufficient to serve the existing development within the District.

Wastewater treatment for the portion of the District located on the east side of Beltway 8 is provided by the East Wastewater Treatment Plant. The East Wastewater Treatment Plant Phase 1 has capacity of 125,000 gallons per day with an ultimate permitted capacity of 960,000 gallons per day. The East Wastewater Plant is capable of serving the development east of Beltway 8 within the District.

Drainage

Drainage on the west side of Bestway 8 is conveyed from the District through District and Harris County Flood Control District ("HCFCD") channels P127-00 and P127-03 to Greens Bayou. On October 13, 2020, Harris County Commissioners Court approved an Interlocal Agreement among the County, HCFCD, and the District whereby the County and HCFCD will transfer ownership and maintenance responsibility to the District for the portion of those channels located in the District. A drainage report was prepared for the areas of the District located West of Beltway 8. This report was updated on November 15, 2021, and HCFCD issued a letter of no objection on the updated report on December 21, 2021.

Drainage on the east side of Beltway 8 is conveyed from the District through a series of hydraulically connected detention ponds and drainage channel to Carpenter's Bayou and San Jacinto River. A drainage report was prepared for the areas of the District located East of Beltway 8. This report was updated on April 13, 2022, and HCFCD issued a letter of no objection on the updated report on May 2, 2022. Currently, none of the property within the District lies within the 100-year flood plain.

HCFCD and the Federal Emergency Management Agency are partnering on a flood hazard assessment project, called the Harris County Modeling, Assessment and Awareness Project (MAPPnext), which will utilize National Oceanic and Atmospheric (NOAA) Atlas 14 rainfall data, along with updated methodologies and technologies, to produce new flood hazard maps.

The above mentioned drainage reports incorporates the NOAA Atlas 14 rainfall data and latest requirements adopted by the Harris County Commissioners Court.

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General Fund Operating Statement

The following statement sets forth in condensed form the historical results of operation of the Water, Sewer, and Drainage System. Such summary has been prepared by the Financial Advisor for inclusion herein, based upon information obtained from the District's audited financial statements. Reference is made to such statement for further and more complete information. See "APPENDIX A."

	Fiscal Year Ended April 30				
	2024	2023	2022	2021	2020
REVENUES					
Property taxes	$ 7,265,818	$ 6,041,125	$ 6,210,534	$ 5,745,186	$ 6,570,999
Sales and use taxes	3,980,560	3,307,805	3,102,932	2,588,146	2,122,493
Water service	1,154,728	952,636	891,368	839,246	678,260
Sewer service	426,802	419,642	398,119	322,138	292,261
Parking service	179,104	176,233	140,648	133,925	187,269
Penalty and interest	18,997	49,051	53,643	32,640	35,033
Tap connection and inspection fees	837,018	178,818	40,342	331,433	129,800
Investment income	802,329	581,933	25,085	32,313	193,933
Other income	103,797	63,100	3,837	–	–
TOTAL REVENUES	$ 14,769,153	$ 11,770,343	$ 10,866,508	$ 10,025,027	$ 10,210,048
EXPENDITURES					
Purchased services	$ 1,793,728	$ 1,554,096	$ 642,442	$ 1,007,332	$ 1,007,691
Economic development	438,239	413,301	312,159	424,668	–
Professional fees	708,527	662,526	602,098	761,853	758,444
Contracted services	799,285	625,352	438,595	701,943	658,208
Utilities	94,344	74,335	104,042	92,995	87,391
Repairs and maintenance	2,476,520	1,833,620	2,022,595	1,405,341	1,064,533
Lease expenditures	37,541	49,450	231,699	194,516	136,442
Other expenditures	201,740	169,365	171,779	127,083	143,665
Tap connections	460,624	114,833	39,546	299,953	107,600
Capital outlay	1,021,158	10,140,528	589,587	1,562,647	3,108,189
Debt service, debt issuance costs	75,000	51,512	9,000	–	–
TOTAL EXPENDITURES	$ 8,106,706	$ 15,688,918	$ 5,163,542	$ 6,578,331	$ 7,072,163
Excess revenues over expenditures	$ 6,662,447	$ (3,918,575)	$ 5,702,966	$ 3,446,696	$ 3,137,885
OTHER FINANCING SOURCES (USES)					
Interfund transfers in (out)	$ (2,327,201)	$ (2,303,500)	$ (880,963)	$ (1,103,434)	$ (1,880,513)
Repayment to developer advances	–	–	–	–	–
Insurance proceeds	–	–	–	–	–
Contribution from government entity	–	–	–	386,000	–
Total other financing sources (uses)	$ (2,327,201)	$ (2,303,500)	$ (880,963)	$ (717,434)	$ (1,880,513)
Balance, beginning of year	$ 13,669,889	$ 19,891,964	$ 15,069,961	$ 12,340,699	$ 11,083,327
Balance, end of year	$ 18,005,135	$ 13,669,889	$ 19,891,964	$ 15,069,961	$ 12,340,699

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DISTRICT DEBT

General

2024 Certified Assessed Valuation See "TAX DATA" and "TAXING PROCEDURES."	$ 1,186,220,038	(a)
Estimate of Assessed Valuation as of June 1, 2024 See "TAX DATA" and "TAXING PROCEDURES."	$ 1,332,625,559	(b)
Direct Debt:		
The Outstanding Bonds (at the Delivery of the Bonds)	$ 84,380,000	(c)
The Bonds	42,245,000	
Total	$ 126,625,000	
Estimated Overlapping Debt	$ 69,466,017	(d)
Total Direct and Estimated Overlapping Debt	$ 196,091,017	
Debt Service Fund Balance (as of August 21, 2024)	$ 10,395,506	(e)
Operating Fund Balance (as of August 21, 2024)	$ 9,139,739	
Capital Projects Fund Balance (as of August 21, 2024)	$ 4,354,365	(f)
Average Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2025-2049)	$ 7,457,927	(g)
Maximum Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2040)	$ 8,887,771	(g)
Direct Debt Ratios as a Percentage of the:		
2024 Certified Assessed Valuation ($1,186,220,038)	10.67 %	
Estimate of Assessed Valuation as of June 1, 2024 ($1,332,625,559)	9.50 %	
Ratio of Direct and Estimated Overlapping Debt as a Percentage of the:		
2024 Certified Assessed Valuation ($1,186,220,038)	16.53 %	
Estimate of Assessed Valuation as of June 1, 2024 ($1,332,625,559)	14.71 %	

(a) Represents the assessed valuation of all taxable property within the District as of January 1, 2024, as provided by the Appraisal District (herein defined). Such amount includes $82,901,651 of assessed valuation assigned to properties that remain under review by the Appraisal Review Board (herein defined). Such amount represents the estimated minimum amount of assessed valuation that will ultimately be approved by the Appraisal Review Board, upon which the District will levy its tax

(b) Provided by Appraisal District for informational purposes only. This amount represents an estimate of the assessed valuation of all taxable property within the District as of June 1, 2024, and includes an estimate of assessed valuation resulting from the construction of taxable improvements from January 1, 2024, through June 1, 2024. No taxes will be levied on this value.

(c) The District also has $17,755,000 principal amount of outstanding (at the delivery of the Bonds) sales tax revenue bonds (which are secured by a separate source of revenue). See "THE BONDS – Outstanding Bonds."

(d) See "DISTRICT DEBT – Estimated Overlapping Debt."

(e) An amount equal to six (6) months of interest on the Bonds will be deposited from the proceeds from the sale of the Bonds into this account at the delivery of the Bonds Approximately $4,334,774 is allocated to pay debt service on WSD&R Bonds and approximately $1,755,296 is allocated to pay debt service Road Bonds. Neither the Bond Order nor Texas law requires that the District maintain any particular balance in such fund. Although all of the Outstanding Bonds and the Bonds are payable from an unlimited tax pledge, portions of the District's ad valorem tax revenue will be allocated on a pro rata basis between debt service on WSD&R Bonds and Road Bonds, and deposited into separate sub-accounts within the District's debt service fund. Such balance does not reflect funds held for the purpose of paying debt service on the District's outstanding sales tax revenue bonds. See "THE BONDS – Funds."

(f) Represents surplus construction funds, and interest thereon, derived from the Outstanding Bonds. The Bonds, if, as, and when issued, may produce additional surplus funds. Surplus funds for construction may be expended for any lawful purpose for which surplus funds may be used, limited, however, to the purpose for which the issue of the Outstanding Bonds which produced the surplus funds were issued. Under certain circumstances, the approval of the TCEQ is required for the use of surplus funds derived from WSD&R Bonds. Of such amount, approximately $3,310,163 may be used to finance water, wastewater, and storm drainage facilities with the approval of the TCEQ and approximately $741,446 may be used to finance road facilities.

(g) See "DISTRICT DEBT – Debt Service Requirement Schedule."

Estimated Overlapping Debt

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

Taxing Jurisdiction	Debt as of July 31, 2024	Percent Overlapping	Overlapping Amount
Harris County	$ 1,994,511,319	0.16%	$ 3,277,404
Harris County Department of Education	28,960,000	0.16%	47,587
Harris County Flood Control District	991,095,000	0.16%	1,628,579
Harris County Hospital District	65,285,000	0.16%	107,277
Harris County Toll Road Authority (a)	–	–	–
Humble Independent School District	1,203,935,000	0.51%	6,084,079
Lone Star College System	512,185,000	0.06%	308,480
Port of Houston Authority	426,134,397	0.16%	700,229
San Jacinto Community College District	520,862,492	0.96%	5,019,249
Sheldon Independent School District	439,134,996	11.91%	52,293,133
Total Estimated Overlapping Debt			$ 69,466,017
The District (b)			$ 126,625,000
Total Direct & Estimated Overlapping (b)			$ 196,091,017

(a) Debt is considered self-supported.
(b) Includes the Bonds.

Debt Ratios

	2024 Certified Assessed Valuation	Estimate of Assessed Valuation as of June 1, 2024
Direct Debt (a)	10.67%	9.50%
Total Direct and Estimated Overlapping Debt (a)	16.53%	14.71%

(a) Includes the Bonds.

Debt Service Requirement Schedule

The following schedules set forth the total debt service requirements of the District at the delivery of the Bonds, plus the principal and interest requirements on the Bonds. Totals may not sum due to rounding.

Year	Outstanding	The Bonds		Total
Ending	Debt (a)	Principal	Interest	Debt Service
2024	$ 4,551,317	$ –	$ –	$ 4,551,317
2025	6,108,356	850,000	1,548,702	8,507,058
2026	6,103,394	1,025,000	1,753,313	8,881,706
2027	6,100,748	1,070,000	1,691,813	8,862,560
2028	6,100,085	1,115,000	1,627,613	8,842,698
2029	6,102,029	1,165,000	1,560,713	8,827,741
2030	6,098,454	1,210,000	1,490,813	8,799,266
2031	6,106,316	1,265,000	1,418,213	8,789,529
2032	6,117,429	1,315,000	1,342,313	8,774,741
2033	6,115,601	1,375,000	1,263,413	8,754,014
2034	6,131,270	1,430,000	1,187,788	8,749,058
2035	6,140,004	1,490,000	1,130,588	8,760,591
2036	6,168,223	1,555,000	1,070,988	8,794,210
2037	6,185,423	1,620,000	1,008,788	8,814,210
2038	6,214,529	1,690,000	943,988	8,848,516
2039	6,231,584	1,760,000	876,388	8,867,971
2040	6,246,784	1,835,000	805,988	8,887,771
2041	5,047,810	1,915,000	741,763	7,704,573
2042	3,945,775	1,995,000	674,738	6,615,513
2043	3,266,656	2,080,000	604,913	5,951,569
2044	3,290,513	2,170,000	532,113	5,992,625
2045	2,433,988	2,260,000	456,163	5,150,150
2046	1,241,119	2,360,000	377,063	3,978,181
2047	1,245,850	2,460,000	288,563	3,994,413
2048	768,075	2,565,000	196,313	3,529,388
2049	–	2,670,000	100,125	2,770,125
Total	$ 124,061,328	$ 42,245,000	$ 24,693,164	$ 190,999,492

(a) Outstanding debt at the delivery of the Bonds.

Average Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2025-2049)........ $ 7,457,927

Maximum Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2040)........ $ 8,887,771

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INVESTMENT CONSIDERATIONS

General

The Bonds are obligations of the District and are not obligations of Texas, the County, the City, or any political subdivision or entity other than the District. The Bonds are secured by an annual ad valorem tax, without legal limitation as to rate or amount, on all taxable property located within the District. See "THE BONDS – Source of Payment." The ultimate security for payment of the principal of and interest on the Bonds depends upon the ability of the District to collect from the property owners within the District taxes levied upon all taxable property within the District or, in the event taxes are not collected and foreclosure proceedings are instituted by the District, upon the value of the taxable property with respect to taxes levied by the District and by other taxing authorities. The District makes no representations that over the life of the Bonds the property within the District will maintain a value sufficient to justify continued payment of taxes by the property owners. The potential increase in taxable valuation of District property is directly related to the economics of the industrial and commercial industries, not only due to general economic conditions, but also due to the particular factors discussed below.

Factors Affecting Taxable Values and Tax Payments

Economic Factors: The rate of development within the District is directly related to the vitality of the commercial and industrial development industry in the City's metropolitan area. New construction can be significantly affected by factors such as interest rates, construction costs, and consumer demand. New construction can also be affected by energy availability and costs, including the price of oil and gasoline prices. Declines in the price of oil could adversely affect demand for commercial and industrial development. Decreased levels of such construction activity would restrict the growth of property values in the District. The District cannot predict the pace or magnitude of any future development in the District. See "THE DISTRICT – Status of Development."

Location and Access: The District is located in an outlying area of the City's metropolitan area, approximately 14 miles northeast from the central business district of the City. As a result, particularly during times of increased competition, the developers within the District may be at a competitive disadvantage to the developers in other projects located closer to major urban centers or in a more developed state. See "THE DISTRICT – Status of Development."

Principal Landowners' Obligations to the District: The District's tax base is concentrated in a small number of taxpayers. As reflected in this Official Statement under the caption "TAX DATA – Principal Taxpayers," the District's ten (10) principal taxpayers owned approximately 78.67% of the 2024 certified assessed valuation of all taxable property, including personal property, located within the District. The District cannot represent that its tax base will in the future be (i) distributed among a significantly larger number of taxpayers, or (ii) less concentrated in property owned by a relatively small number of property owners, than it is currently. FMC, the District's top taxpayer, owns approximately 36.17% of the 2024 certified assessed valuation of all taxable property, including personal property, located within the District. Failure by FMC or one (1) or more of the District's principal property owners to make full and timely payments of taxes due may have an adverse effect on the investment quality or security of the Bonds. If any one (1) or more of the principal District taxpayers did not pay taxes due, the District might need to levy additional taxes or use other debt service funds available to meets its debt service requirements. Further, if FMC were to vacate its facilities, there may be a limited market for such facilities and the assessed value thereof may decrease as a result. See "THE PRINCIPAL TAXPAYER."

The District can make no representation that the taxable property values in the District will increase in the future or will maintain a value sufficient to support the proposed District tax rate or to justify continued payment of taxes by property owners. For the 2023 tax year, the District levied a maintenance and operations tax rate of $0.770 per $100 of assessed valuation; a water, sewer, drainage, and recreational facility debt service tax rate of $0.405 per $100 of assessed valuation; and a road facility debt service tax rate of $0.155 per $100 assessed valuation. See "TAX DATA – Principal Taxpayers" and "TAX DATA – Tax Rate Distribution."

Dependence on Personal Property Tax Collections: Approximately 30.65% ($338,179,649) of the 2024 certified assessed valuation (not including properties that remain under review by the Appraisal Review Board) of all taxable property located within the District is personal property. Most other special purpose districts in Texas are not dependent to such an extent on taxes levied on personal property, and collection of personal property taxes is less reliable than collection of taxes on real property. See “TAX DATA – Tax Roll Information” and “TAXING PROCEDURES – Property Subject to Taxation by the District.”

Unlike real property, there is no certainty that personal property will remain in the District from year to year. Business inventories are portable and could be removed from the District at any time. Personal property removed from the District as of January 1 of any year is not subject to taxation by the District for that year.

If personal property is subject to a lien for unpaid District taxes for any year, the District lien is lost if the property is sold in the ordinary course of business. However, a lien in the amount of the personal property taxes owed by a taxpayer attaches not only to personal property owned by the taxpayer as of January 1 with a tax situs in the District, but to any personal property then or thereafter owned by the taxpayer. However, the District may not be able to foreclose on personal property located outside of Texas, and locating and foreclosing on property held outside the District may be costly, inefficient, and difficult.

The statute of limitations for collection of personal property taxes is four (4) years from the date of delinquency, which is shorter than the 20-year statute of limitations for real property. Personal property may not be seized, and a suit may not be filed to collect delinquent personal property taxes if the tax has been delinquent for more than four (4) years. A tax and any penalty and interest on the tax that is delinquent longer than the limitation period is presumed paid unless a suit to collect such personal property tax is pending. As with real property taxes, ad valorem taxes levied on personal property are the personal obligation of the taxpayer. See “TAXING PROCEDURES.”

Heretofore, the District has been successful in collecting its ad valorem tax levies, including ad valorem taxes levied on personal property located in the District. However, no representation can be made by the District regarding future tax collections. See “TAX DATA – Historical Tax Collections.”

Developers’ Obligations to the District: There is no commitment by or legal requirement of MDI or any other landowner to the District to proceed at any particular rate or according to any specified plan with the development of land in the District, or of any owner of commercial property to proceed at any particular pace with the construction of commercial improvements in the District. Moreover, there is no restriction on any landowner’s right to sell its land. Therefore, the District can make no representation about the probability of future development, if any, in the District. Failure to construct taxable improvements would restrict the rate of growth of taxable values in the District and result in higher tax rates. See “THE DISTRICT – Status of Development” and “THE PRINCIPAL DEVELOPER AND LANDOWNER.”

Maximum Impact on District Tax Rate: Assuming no further development or construction of taxable improvements, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of property owners within the District to pay their taxes. The 2024 certified assessed valuation of taxable property located within the District is $1,186,220,038 and the estimate of assessed valuation as of June 1, 2024, of all taxable property located within the District is $1,332,625,559 (see “TAX DATA”). After issuance of the Bonds, the maximum annual debt service requirement for the Outstanding Bonds and the Bonds will be $8,887,771 (2040) and the average annual debt service requirement for the Outstanding Bonds and the Bonds will be $7,457,927 (2025-2049). Based on the 2024 certified assessed valuation of all taxable property located within the District ($1,186,220,038) and no use of funds on hand, a tax rate of $0.79 per $100 of assessed valuation at a 95% collection rate would be necessary to pay the maximum annual debt service requirement on the Outstanding Bonds and the Bonds of $8,887,771 (2040) and a tax rate of $0.67 per $100 of assessed valuation at a 95% collection rate would be necessary to pay the average annual debt service requirement on the Outstanding Bonds and the Bonds of $7,457,927 (2025-2049). Based on the estimate of assessed valuation as of June 1, 2024, of all taxable property located within the District ($1,332,625,559) and no use of funds on hand, a tax rate of $0.71 per $100 of assessed valuation at a 95% collection rate would be necessary to pay the maximum annual debt service requirement on the Outstanding Bonds and the Bonds of $8,887,771 (2040) and a tax rate of $0.59 per $100 of assessed valuation at a 95% collection rate would be necessary to pay the average annual debt service requirement on the Outstanding Bonds and the Bonds of $7,457,927 (2025-2049). See “DISTRICT DEBT – Debt Service Requirements” and “TAX DATA – Tax Rate Calculations.”

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

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

Tropical Weather Events; Hurricane Harvey

The City and surrounding area, including the District, is subject to occasional severe tropical weather events, including tropical storms and hurricanes. If the District were to sustain damage to its facilities requiring substantial repair or replacement or if substantial damage were to occur to taxable property within the District as a result of such a weather event, the investment security of the Bonds could be adversely affected.

The City and surrounding area, including the District, has experienced multiple storms exceeding a 0.2% probability (i.e. "500-year flood" events) since 2015, one (1) of which was Hurricane Harvey, which struck the City and surrounding area on August 27, 2017, resulting in historic levels of rainfall. However, according to the District's Operator and Engineer, the Water, Sewer and Drainage System did not sustain any material damage and there was no interruption of water and sewer service. Further, according to the District's Engineer, after investigation, although the District experienced street flooding, there was no apparent material wind or water damage to structures within the District.

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

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.

Tax Collections and Foreclosure Remedies

The District's ability to make debt service payments may be adversely affected by its inability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien in favor of the District on a parity with the liens of all other taxing authorities on the property against which taxes are levied, and such lien may be enforced by foreclosure. The District's ability to collect ad valorem taxes through such foreclosure may be impaired by (a) cumbersome, time consuming and expensive collection procedures, (b) a bankruptcy court's stay of tax collection procedure against a taxpayer, or (c) market conditions limiting the proceeds from a foreclosure sale of taxable property. While the District has a lien on taxable property within the District for taxes levied against such property, such lien can be foreclosed only in a judicial proceeding. Attorney's fees and other 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 (2) other ways: first, a debtor's confirmation plan may allow a debtor to make installment payments on delinquent taxes for up to six (6) years; and, second, a debtor may challenge, and a bankruptcy court may reduce, the amount of any taxes assessed against the debtor, including taxes that have already been paid.

Registered Owners' Remedies

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

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

Bankruptcy Limitation to Registered Owners' Rights

The enforceability of the rights and remedies of Registered Owners may be limited by laws relating to bankruptcy, reorganization, or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. Texas law requires a district, such as the District, to obtain the approval of the TCEQ as a condition to seeking relief under the Federal Bankruptcy Code.

Notwithstanding noncompliance by the District with Texas law requirements, the District could file a voluntary bankruptcy petition under Chapter 9, thereby invoking the protection of the automatic stay until the bankruptcy court, after a hearing, dismisses the petition. A federal bankruptcy court is a court of equity and federal bankruptcy judges have considerable discretion in the conduct of bankruptcy proceedings and in making the decision of whether to grant the petitioning District relief from its creditors. While such a decision might be 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 the 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 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.

The District may not be placed into bankruptcy involuntarily.

Future Debt

Following the issuance of the Bonds, the District will have the following total amounts remaining authorized but unissued: $768,480,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing water, sewer, and drainage facilities and $215,000,000 principal amount of unlimited tax bonds for the purpose of refunding such bonds; $158,850,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing recreational facilities and $48,000,000 principal amount of unlimited tax bonds for the purpose of refunding such bonds; $1,483,383,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing road facilities and $431,000,000 principal amount of unlimited tax bonds for the purpose of refunding such bonds; $611,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing electrical conduit facilities and $183,000,000 principal amount of unlimited tax bonds for the purpose of refunding such bonds; $24,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing rail facilities and $7,200,000 principal amount of unlimited tax bonds for the purpose of refunding such bonds; $2,219,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing parking facilities and $665,000,000 principal amount of unlimited tax bonds for the purpose of refunding such bonds; $57,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing public transit facilities and $17,000,000 principal amount of unlimited tax bonds for the purpose of refunding such bonds; and $51,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing facilities for an economic development program and $15,000,000 principal amount of unlimited tax bonds for the purpose of refunding such bonds, and could authorize additional amounts (see "THE BONDS – Issuance of Additional Debt").

Additional bonds may hereafter be approved by the voters of the District. If additional bonds are issued in the future and property values have not increased proportionately, such issuance may increase gross debt to property valuation ratios and thereby adversely affect the investment quality or security of the Bonds. After the issuance of the Bonds, the District will owe MDI approximately $47,000,000 for construction of facilities on behalf of the District. Additional bonds will be necessary to finance the ultimate development of the remaining lands within the District.

Future and Proposed Legislation

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

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

Collection of Taxes

The District's ability to pay debt service on the Bonds may be adversely affected by its ability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien on the property in favor of the District on a parity with the lien of all other authorities. Such lien can be foreclosed in judicial proceedings. The District's ability to collect ad valorem taxes through such foreclosure may be impaired by (a) collection procedures, (b) a bankruptcy court's stay of a tax collection procedure against a taxpayer or (c) market conditions limiting the proceeds from a foreclosure sale of taxable property including the taxpayer's right to redeem property for a specified period of time after foreclosure at the foreclosure sale price. See "TAXING PROCEDURES – Levy and Collection of Taxes."

Marketability of the Bonds

The District has no understanding 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 may be greater than the difference between the bid and asked price of bonds of comparable maturity and quality issued by more traditional issuers, since such bonds are more generally bought, sold, and traded in the secondary market.

Environmental Regulations

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

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

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

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

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

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

The HGB Area is currently designated as a "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), with an effective date of March 5, 2018, which is a general permit authorizing the discharge of stormwater runoff associated with small and large construction sites and certain non-stormwater discharges into surface water in the state. It has a 5-year permit term, and is then subject to renewal. The District has two (2) TPDES permits. The permit for the West Wastewater Treatment Plant has an issue date of September 30, 2021, and expires on March 3, 2025. The permit for the East Wastewater Treatment Plant has an issue date of December 14, 2023, and expires on December 23, 2028. Moreover, the Clean Water Act ("CWA") and Texas Water Code require municipal wastewater treatment plants to meet secondary treatment effluent limitations and more stringent water quality-based limitations and requirements to comply with the Texas water quality standards. Any water quality-based limitations and requirements with which a municipal utility district must comply may have an impact on the municipal utility district's ability to obtain and maintain compliance with TPDES permits.

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

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

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

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

Continuing Compliance with Certain Covenants

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

Approval of the Bonds

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

Potential Effects of Oil Price Volatility on the City Area

The economy of the City 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 City area and could reduce or negatively affect property values or construction activity within the District. As previously stated, the Bonds are secured by an unlimited ad valorem tax, and a reduction in property values may require an increase in the ad valorem tax rate required to pay the Bonds as well as the District's share of operations and maintenance expenses payable from ad valorem taxes.

Bond Insurance Risk Factors

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

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

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

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

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

Neither the District or Initial Purchaser has made independent investigation into the claims paying ability of the bond insurer and no assurance or representation regarding the financial strength or projected financial strength of the bond insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal and interest on the Bonds and the claims paying ability of the bond insurer, particularly over the life of the investment. See "MUNICIPAL BOND INSURANCE" for further information provided by the bond insurer and the Policy, which includes further instructions for obtaining current financial information concerning the bond insurer.

TAXING PROCEDURES

Property Tax Code and County-Wide Appraisal District

The Texas Tax Code (the "Property Tax Code") requires, among other matters, county-wide appraisal and equalization of taxable property values and establishes in each county of Texas a single appraisal district with the responsibility for recording and appraising property for all taxing units within a county and a single appraisal review board with the responsibility for reviewing and equalizing the values established by the appraisal district. The Harris Central Appraisal District (the "Appraisal District") has the responsibility for appraising property for all taxing units wholly within the County, including the District. Such appraisal values are subject to review and change by the Harris County Appraisal Review Board (the "Appraisal Review Board"). Under certain circumstances, taxpayers and taxing units (such as the District) may appeal the orders of the Appraisal Review Board by filing a 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. Absent any such appeal, the appraisal roll, as prepared by the Appraisal District and approved by the Appraisal Review Board, must be used by each taxing jurisdiction in establishing its tax roll and tax rate. The District is eligible, along with all other conservation and reclamation districts within the County, to participate in the nomination of and vote for a member of the board of directors of the Appraisal District.

Property Subject to Taxation by the District

Except for certain exemptions provided by Texas law, all real property and tangible personal property in the District are subject to taxation by the District; however, it is expected that no effort will be made by the District to collect taxes on personal property other than on personal property rendered for taxation, business inventories and the property of privately owned utilities. Principal categories of exempt property include: property owned by 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; farm products owned by the producer; all oil, gas, and mineral interests owned by an institution of higher education; certain property owned by exclusively charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; solar and wind-powered energy devices; and most individually owned automobiles. In addition, the District may by its own action exempt residential homesteads of persons sixty-five (65) years or older or under a disability for purposes of payment of disability insurance under the Federal Old-Age Survivors and Disability Insurance Act to the extent deemed advisable by the Board. The District would be required to call an election on such residential homestead exemption upon petition by at least twenty percent (20%) of the number of qualified voters who voted in the District's preceding election and would be required to offer such an exemption if a majority of voters approve it at such election. For the 2024 tax year, the District has not granted any such exemptions. The District must grant exemptions to disabled veterans or certain surviving dependents of disabled veterans, if requested, of between $5,000 and $12,000 of assessed valuation depending upon the disability rating of the veteran, if such rating is less than one hundred percent (100%). A veteran who receives a disability rating of one hundred percent (100%) is entitled to an exemption for the full value of the veteran's residence homestead. 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 (i) the residence homestead was donated by a charitable organization at no cost to the disabled veteran or, (ii) the residence was donated by a charitable organization at some cost to the disabled veteran if such cost is less than or equal to fifty percent (50%) of the total good faith estimate of the market value of the residence as of the date the donation is made. Also, the surviving spouse of (i) a member of the armed forces or, (ii) a first responder as defined under Texas law, who was killed in action is, subject to certain conditions, entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse.

A "Freeport Exemption" applies to goods, wares, merchandise, other tangible personal property and ores, other than oil, natural 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 the 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 one hundred and seventy-five (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 certain tangible personal property, as defined by the Property Tax Code, acquired in or imported into Texas for storage purposes and which is stored under a contract of bailment by a public warehouse operator at one (1) 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. The exemption excludes oil, natural gas, petroleum products, aircraft and certain special inventory including dealer's motor vehicles, dealer's vessel and outboard motor vehicle, dealer's heavy equipment and retail manufactured housing inventory. The exemption applies to covered property if it 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 one hundred and seventy-five (175) days after acquisition or importation. 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. However, taxing units who took official action as allowed by prior law before October 1, 2011, to tax goods-in-transit property, and who pledged such taxes for the payment of debt, may continue to impose taxes against the goods-in-transit property until the debt is discharged without further action, if cessation of the imposition would impair the obligations of the contract by which the debt was created. The District has not exercised its option to tax goods-in-transit personal property but may choose to do so in the future. Currently, the District has no intention of taxing goods-in-transit personal property.

Tax Exemption Provided to Public Facility Corporations and Certain Lessees

Chapter 303 of the Texas Local Government Code (the "PFC Act") authorizes cities, counties, school districts, housing authorities and special districts (a "Sponsor") to create a sponsored Public Facility Corporation ("PFC") to acquire, construct, rehabilitate, renovate, repair, equip, furnish, and place in service public facilities. These activities may be financed through certain obligations of either the Sponsor or the PFC. Under the PFC Act, a "public facility" includes any real, personal, or mixed property, or an interest in property devoted or to be devoted to public use, and authorized to be financed under the PFC Act. A public facility, including a leasehold estate in a public facility, that is owned by a PFC is exempt from taxation by the State or a municipality or other political subdivision of the State, including the District. This exemption applies to both ad valorem and sales taxes levied by such taxing authorities. Subject to certain restrictions, a leasehold or other possessory interest granted by the PFC to the user of a PFC-owned multifamily residential development entitles that user to this same exemption. The 88th Texas Legislature passed H.B. 2071, which became effective June 18, 2023, to amend the PFC Act. H.B. 2071 significantly revised the PFC Act's requirements for the lessee of a multifamily residential development to qualify for this exemption and provides that the exemption for such projects does not apply to taxes imposed by a conservation and reclamation district providing water, sewer, or drainage services to the development, unless an agreement is entered into with the district concerning payments in lieu of taxation. Projects for which PFC or Sponsor approval was received prior to the effective date of H.B. 2071 are governed by the prior law and are not subject to the same requirements. The District is not aware of any public facilities located within the boundaries of the District that are either owned or leased by a PFC.

In 2023, the District served as the Sponsor for the creation of the West Lake Public Facility Corporation (the "WL PFC"). To date, the WL PFC has not received any applications or requests for approval of any projects.

General Residential Homestead Exemption

Texas law authorizes the governing body of each political subdivision in Texas to exempt up to twenty percent (20%) of the appraised value of residential homesteads, but not less than $5,000 if any exemption is granted, from ad valorem taxation. The law provides, however, that 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. For the 2024 tax year, the District has not granted a general residential homestead exemption.

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. Assessments under the Property Tax Code are to be based upon one hundred percent (100%) of market value. The appraised value of residential homestead property may be limited to the lesser of the market value of the property, or the sum of the appraised value of the property for the last year in which it was appraised, plus ten percent (10%) of such appraised value multiplied by the number of years since the last appraisal, plus the market value of all new improvements to the property. Once an appraisal roll is prepared and approved by the Appraisal Review Board, it is used by the District in establishing its tax rate. The Property Tax Code requires the Appraisal District to implement a plan for periodic reappraisal of property to update appraised values. The plan must provide for appraisal of all real property by 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 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 fifteen percent (15%) physically damaged by a disaster and located within an area declared to be a disaster area by the Governor 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 fifteen percent (15%) for property less than thirty percent (30%) damaged to one hundred percent (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, including the District, may appeal orders of the Appraisal Review Board by filing a petition for review in district court within forty-five (45) days after notice is received that a final order has been entered. In such event, the property value in question may be determined by the court, or by a jury, if requested by any party. Additionally, taxing units may bring suit against the Appraisal District to comply with the Property Tax Code. The District may challenge the exclusion of property from the appraisal rolls or the grant, in whole or in part, of an exemption.

Texas law provides for notice and hearing procedures prior to the adoption of an ad valorem tax rate by the District. Additionally, under certain circumstances, an election would be required to determine whether to approve the adopted total tax rate. See "TAXING PROCEDURES – Rollback of Operation and Maintenance Tax Rate." The Property Tax Code also establishes a procedure for notice to property owners of reappraisals reflecting increased property values, appraisals that are higher than renditions and appraisals of property not previously on an appraisal roll.

Agricultural, Open Space, Timberland, and Inventory Deferment

The Property Tax Code permits land designated for agricultural use (including wildlife management), open space, or timberland to be appraised at its value based on the land's capacity to produce agriculture or timber products rather than at its fair market value. The Property Tax Code permits, under certain circumstances, that residential real property inventory held by a person in the trade or business be valued at the price all such property would bring if sold as a unit to a purchaser who would continue the business. Landowners wishing to avail themselves of any of such designations must apply for the designation, and the Appraisal District is required by the Property Tax Code to act on each claimant's right to the designation individually. A claimant may waive the special valuation as to taxation by some political subdivisions and not as to others. If a claimant receives the designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use for the three (3) years prior to the loss of the designation for agricultural, timberland, or open space land. According to the Tax Assessor/Collector, as of January 1, 2024, approximately 314 acres within the District were designated for agricultural use, open space, inventory deferment, or timberland.

Tax Abatement

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

Levy and Collection of Taxes

The District is responsible for the collection of its taxes, unless it elects to transfer such functions to another governmental entity. The District adopts its tax rate each year after it receives a tax roll certified by the Appraisal District. Taxes are due upon receipt of a bill therefor, and become delinquent after January 31 of the following year or thirty (30) days after the date billed, whichever is later, or, if billed after January 10, they are delinquent on the first day of the month next following the 21st day after such taxes are billed. A delinquent tax accrues interest at a rate of one percent (1%) for each month or portion of a month the tax remains unpaid beginning the first calendar month it is delinquent. A delinquent tax also incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent plus a one percent (1%) penalty 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. However, a tax delinquent on July 1 incurs a total penalty of twelve percent (12%) of the amount of the delinquent tax without regard to the number of months the tax has been delinquent, which penalty remains at such rate without further increase. If the tax is not paid by July 1, an additional penalty of up to the amount of the compensation specified in the District's contract with its delinquent tax collection attorney, but not to exceed twenty percent (20%) of the total tax, penalty, and interest, may, under certain circumstances, be imposed by the District. With respect to personal property taxes that become delinquent on or after February 1 of a year and that remain delinquent sixty (60) days after the date on which they become delinquent, as an alternative to the penalty described in the foregoing sentence, an additional penalty on personal property of up to the amount specified in the District's contract with its delinquent tax attorney, but not to exceed twenty percent (20%) of the total tax, penalty, and interest, may, under certain circumstances, be imposed by the District prior to July 1. The District's contract with its delinquent tax collection attorney currently specifies a twenty percent (20%) additional penalty. The District may waive penalties and interest on delinquent taxes only for the items specified in the Property Tax Code. The Property Tax Code also makes provision for the split payment of taxes, discounts for early payment and the postponement of the delinquency of taxes under certain circumstances. The owner of a residential homestead property who is (i) a person sixty-five (65) years of age or older, (ii) under a disability for purpose of payment of disability insurance benefits under the Federal Old Age Survivors and Disability Insurance Act or (iii) qualifies as a disabled veteran under Texas law is entitled by law to pay current taxes on a residential homestead in installments or to defer the payment of taxes without penalty during the time of ownership. Additionally, a person who is delinquent on taxes for a residential homestead is entitled to an agreement with the District to pay such taxes in equal installments over a period of between twelve (12) and thirty-six (36) months (as determined by the District) when such person has not entered into another installment agreement with respect to delinquent taxes with the District in the preceding twenty-four (24) months.

Rollback of Operation and Maintenance Tax Rate

Chapter 49 of the Texas Water Code classifies certain special purpose districts, including the District, differently based on their current operation and maintenance tax rate or on the percentage of projected build-out that a district has completed. Districts that have adopted an operation and maintenance tax rate for the current year that is $0.025 or less per $100 of taxable value are classified herein as "Low Tax Rate Districts." Districts that have financed, completed, and issued bonds to pay for all land, improvements, and facilities necessary to serve at least 95% of the projected build-out of the district are classified as "Developed Districts." Districts that do not meet either of the classifications previously discussed can be classified herein as "Developing Districts." The impact each classification has on the ability of a district to increase its maintenance and operations tax rate is described for each classification below. Debt service and contract tax rates cannot be reduced by a rollback election held within any of the districts described below.

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

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 in the district, subject to certain homestead exemptions, plus any unused increment rates, as calculated and described in Section 26.013 of the Tax Code, are required to hold an election within the district to determine whether to approve the adopted total tax rate. If the adopted total tax rate is not approved at the election, the total tax rate for a Developed District is the current year's debt service and contract tax rate plus the operation and maintenance tax rate that would impose 1.035 times the amount of operation and maintenance tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, subject to certain homestead exemptions, 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 Low Tax Rate District and a Developed District, the district will be subject to the operation and maintenance tax threshold applicable to Low Tax Rate Districts.

Developing Districts: Districts that do not meet the classification of a Low Tax Rate District 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 imposed by such district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead in the district, 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 the operation and maintenance tax rate that would impose 1.08 times the amount of operation and maintenance tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, subject to certain homestead exemptions.

The District: A determination as to a district's status as a Low Tax Rate District, Developed District or Developing District will be made by the Board of Directors on an annual basis. For the 2024 tax year, the Board of Directors determined that the District's status is that of a Developing District. The District cannot give any assurances as to what its classification will be at any point in time or whether the District's future tax rates will result in a total tax rate that will reclassify the District into a new classification and new election calculation.

District's Rights in the Event of Tax Delinquencies

Taxes levied by the District are a personal obligation of the owner of the property against which the tax is levied. In addition, on January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of each taxing unit, including the District, having power to tax the property. The District's tax lien is on a parity with tax liens of other such taxing units. See "TAX DATA – Estimated Overlapping Taxes." A tax lien on real property takes priority over the claim of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien. Further, personal property under certain circumstances is subject to seizure and sale for the payment of delinquent taxes, penalties, and interest.

Except with respect to (i) owners of residential homestead property who are sixty-five (65) years of age or older or under a disability as described above and who have filed an affidavit as required by law and (ii) owners of residential homesteads who have entered into an installment agreement with the District for payment of delinquent taxes as described above and who are not in default under said agreement, at any time after taxes on property become delinquent, the District may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the District must join other taxing units that have claims for delinquent taxes against all or part of the same property. Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, or by taxpayer redemption rights (a taxpayer may redeem property that is a residence homestead or was designated for agricultural use within two (2) years after the deed issued at foreclosure is filed of record and may redeem all other property within six (6) months after the deed issued at foreclosure is filed of record) or by bankruptcy proceedings which restrict the collection of taxpayer debt. The District's ability to foreclose its tax lien or collect penalties and interest may be limited on property owned by a financial institution which is under receivership by the Federal Deposit Insurance Corporation pursuant to the Federal Deposit Insurance Act, 12 U.S.C. 1825, as amended. Generally, the District's tax lien and a federal tax lien are on par with the ultimate priority being determined by applicable federal law. See "INVESTMENT CONSIDERATIONS – Tax Collection Limitations and Foreclosure Remedies."

TAX DATA

Debt Service Tax

The Board covenants in the Bond Order to levy and assess, for each year that all or any part of the Bonds remain outstanding and unpaid, a tax adequate to provide funds to pay the principal of and interest on the Bonds. For the 2023 tax year, the District levied a water, sewer, drainage, and recreational facility debt service tax rate of $0.405 per $100 of assessed valuation and a road facility debt service tax rate of $0.155 per $100 of assessed valuation. See "TAX DATA – Tax Rate Distribution," "TAXING PROCEDURES" and "INVESTMENT CONSIDERATIONS."

Maintenance Tax

The Board has the statutory authority to levy and collect an annual ad valorem tax for the operation and maintenance of the District, if such a maintenance tax is authorized by the District's voters. Maintenance tax elections were held on May 10, 2008, and May 10, 2014, and voters of the District authorized at such elections, among other things, the Board to levy a maintenance tax at a rate not to exceed $1.50 per $100 assessed valuation for general operations and maintenance costs. At the May 10, 2008 election, voters authorized the Board to levy a maintenance tax for operations and maintenance costs of recreational facilities at a rate not to exceed $0.10 per $100 of assessed valuation. For the 2023 tax year, the District levied a maintenance and operations tax rate of $0.770 per $100 of assessed valuation. It has not levied a separate maintenance and operation tax for recreational facilities to date. A maintenance tax is in addition to taxes which the District is authorized to levy for paying principal of and interest on the Bonds, the Outstanding Bonds, any additional bonds payable from ad valorem taxes. See "TAX DATA – Debt Service Tax," "TAX DATA – Tax Rate Distribution," "TAXING PROCEDURES," and "INVESTMENT CONSIDERATIONS."

Tax Rate Distribution

The following table illustrates the components of the tax rate for the District's 2019-2023 tax years:

	2023	2022	2021	2020	2019
System Debt Service	$ 0.405	$ 0.380	$ 0.370	$ 0.390	$ 0.360
Road Debt Service	0.155	0.180	0.195	0.200	0.075
Maintenance and Operations	0.770	0.770	0.765	0.740	0.895
Total	$ 1.330	$ 1.330	$ 1.330	$ 1.330	$ 1.330

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Historical Tax Collections

The following table illustrates the collection history for the District's 2019-2023 tax years:

Tax Year	Assessed Valuation	Tax Rate Per $100 (a)	Adjusted Levy	Current Year	Period Ended 09/30	As of 07/31/2024
2019	$ 780,377,897	$ 1.330000	$ 10,379,026	99.41%	2020	100.00%
2020	762,612,966	1.330000	10,142,752	99.46%	2021	99.99%
2021	749,237,890	1.330000	9,964,864	99.15%	2022	99.99%
2022	798,484,299	1.330000	10,619,841	98.80%	2023	99.93%
2023	1,071,645,126	1.330000	14,252,880	99.60%	2024	99.60%

(a) Includes a tax for maintenance and operation purposes. See "TAX DATA – Tax Rate Distribution."

Analysis of Tax Base

The following table illustrates the components of the certified assessed valuations for the District's 2020-2024 tax years:

Type of Property	2024 Assessed Valuation (a)	2023 Assessed Valuation	2022 Assessed Valuation	2021 Assessed Valuation	2020 Assessed Valuation
Land	$ 193,028,211	$ 203,177,817	$ 189,709,818	$ 175,091,245	$ 120,936,372
Improvements	655,273,924	669,605,663	470,924,174	450,924,416	396,155,981
Personal Property	338,179,649	391,796,590	322,137,214	314,772,372	407,066,982
Less: Exemptions	(83,163,397)	(192,934,944)	(184,286,907)	(191,550,143)	(161,546,369)
Total	$ 1,103,318,387	$ 1,071,645,126	$ 798,484,299	$ 749,237,890	$ 762,612,966

(a) Such amounts do not include $82,901,651 of assessed valuation assigned to properties that remain under review by the Appraisal Review Board. Such amount represents the estimated minimum amount of assessed valuation that will ultimately be approved by the Appraisal Review Board, upon which the District will levy its tax.

Principal Taxpayers

The following table illustrates the principal taxpayers in the District as of January 1, 2024:

Taxpayer	Type of Property	Certified 2024 Tax Roll	Percent
FTITX001 LLC (a)	Land & Improvements	$ 351,703,644	29.65%
SHELL EXPLORATION & PRODUCTION	Personal Prop.	172,096,040	14.51%
LAKE HOUSTON BELTWAY ASSOCIATES LLC	Land & Improvements	88,666,290	7.47%
FMC TECHNOLOGIES INC. (a)	Land & Personal Prop.	77,315,325	6.52%
EXETER 10100 W LAKE HOUSTON LP	Land & Improvements	61,566,139	5.19%
SERVICE WIRE CO.	Land & Improvements & Personal Prop.	46,291,917	3.90%
255 ASSAY STREET LLC	Land & Improvements	46,007,709	3.88%
WESTLAKE RESIDENTIAL PROPCO LLC	Land & Improvements	40,230,527	3.39%
IKEA PROPERTY INC.	Land	27,338,428	2.30%
MRA GP WEST LLC (b)	Land & Improvements	21,949,700	1.85%
Total		$ 933,165,719	78.67%

(a) See "THE PRINCIPAL TAXPAYER."
(b) See "THE PRINCIPAL DEVELOPER AND LANDOWNER."

Tax Rate Calculations

The tax rate calculations set forth below are presented to indicate the tax rates per $100 of taxable assessed valuation that would be required to meet certain debt service requirements if no growth in the District occurs beyond the 2024 certified assessed valuation of all taxable property located within the District ($1,186,220,038) or the estimate of assessed valuation as of June 1, 2024, of all taxable property located within the District ($1,332,625,559). The foregoing further assumes collection of 95% of taxes levied and the sale of no additional bonds by the District.

Average Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2025-2049)	$	7,457,927
Tax Rate of $0.67 on the 2024 Certified Assessed Valuation Produces	$	7,550,291
Tax Rate of $0.59 on the Estimate of Assessed Valuation as of June 1, 2024, Produces	$	7,469,366
Maximum Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2040)	$	8,887,771
Tax Rate of $0.79 on the 2024 Certified Assessed Valuation Produces	$	8,902,581
Tax Rate of $0.71 on the Estimate of Assessed Valuation as of June 1, 2024, Produces	$	8,988,559

Estimated Overlapping Taxes

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

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

	2023 Tax Rate Per $100 of Assessed Valuation	
	Sheldon Independent School District	Humble Independent School District
The District	$ 1.330000	$ 1.330000
Harris County and Related Entities (a)	0.535090	0.535090
Sheldon Independent School District (b)	1.257500	–
Humble Independent School District (b)	–	1.107500
Lone Star College System (c)	–	0.107600
San Jacinto Community College District (c)	0.146195	–
Total	$ 3.268785	$ 3.080190

(a) Includes Harris County, Harris County Flood Control District, Harris County Department of Education, Port of Houston Authority, and Harris County Hospital District.
(b) A property owner only pays one (1) school district tax. See "THE DISTRICT – Description."
(c) A property owner only pays one (1) community college tax. See "THE DISTRICT – Description."

LEGAL MATTERS

Legal Opinions

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

In addition to serving as Bond Counsel, Schwartz, Page & Harding, L.L.P., also serves as counsel to the District on matters not related to the issuance of bonds. The legal fees to be paid to Bond Counsel for services rendered in connection with the issuance of the Bonds are based upon a percentage of bonds actually issued, sold, and delivered, and, therefore, such fees are contingent upon the sale and delivery of the Bonds. Certain legal matters will be passed upon for the District by Disclosure Counsel, McCall, Parkhurst & Horton L.L.P.

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

Legal Review

In its capacity as Bond Counsel, Schwartz, Page & Harding, L.L.P., has reviewed the information appearing in this Official Statement under the captioned sections "THE BONDS" (except for information under the subsections "Book-Entry-Only System" and "Use of Distribution of Bond Proceeds"), "THE DISTRICT – General," and "– Management of the District – Bond Counsel and General Counsel," "TAXING PROCEDURES," and "LEGAL MATTERS" solely to determine whether such information fairly summarizes the law and documents referred to therein. Such firm has not independently verified factual information contained in this Official Statement, nor has such firm conducted an investigation of the affairs of the District for the purpose of passing upon the accuracy or completeness of this Official Statement. No person is entitled to rely upon such firm's limited participation as an assumption of responsibility for, or an expression of opinion of any kind with regard to, the accuracy or completeness of any of the other information contained herein.

Tax Exemption

On the date of initial delivery of the Bonds, Bond Counsel will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof ("Existing Law"), (1) interest on the Bonds for federal income tax purposes will be excludable from the "gross income" of the holders thereof, and (2) the Bonds will not be treated as "specified private activity bonds" the interest on which would be included as an alternative minimum tax preference item under Section 57(a)(5) of the Internal Revenue Code of 1986, as amended (the "Code"). 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.

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

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

NOT Qualified Tax-Exempt Obligations

Section 265(a) of the Code provides, in pertinent part, that interest paid or incurred by a taxpayer, including a "financial institution," on indebtedness incurred or continued to purchase or carry tax-exempt obligations is not deductible in determining the taxpayer's taxable income. Section 265(b) of the Code provides an exception to the disallowance of such deduction for any interest expense paid or incurred on indebtedness of a taxpayer that is a "financial institution" allocable to tax-exempt obligations, other than "private activity bonds," that are designated by a "qualified small issuer" as "qualified tax-exempt obligations." A "qualified small issuer" is any governmental issuer (together with any "on-behalf of" and "subordinate" issuers) who issues no more than $10,000,000 of tax-exempt obligations during the calendar year. Section 265(b)(5) of the Code defines the term "financial institution" as any "bank" described in Section 585(a)(2) of the Code, or any person accepting deposits from the public in the ordinary course of such person's trade or business that is subject to federal or state supervision as a financial institution. Notwithstanding the exception to the disallowance of the deduction of interest on indebtedness related to "qualified tax-exempt obligations" provided by Section 265(b) of the Code, Section 291 of the Code provides that the allowable deduction to a "bank," as defined in Section 585(a)(2) of the Code, for interest on indebtedness incurred or continued to purchase "qualified tax-exempt obligations" shall be reduced by twenty percent (20%) as a "financial institution preference item."

The District has NOT designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b) of the Code.

Collateral Federal Income Tax Consequences

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

Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences. The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, including financial institutions, life insurance and property and casualty insurance companies, owners of interests in a FASIT, 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, certain S corporations with accumulated earnings and profits and excess passive investment income, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium assistance credit, and individuals allowed an earned income credit. THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIFIC PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP, AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE BONDS.

Interest on the Bonds may be includable in certain corporation’s “adjusted financial statement income” determined under Section 56A of the Code to calculate the alternative minimum tax imposed by Section 55 of the Code.

Under Section 6012 of the Code, holders of tax-exempt obligations, such as the Bonds, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Bonds, if such obligation was acquired at a “market discount” and if the fixed maturity of such obligation is equal to, or exceeds, one (1) year from the date of issue. Such treatment applies to “market discount bonds” to the extent such gain does not exceed the accrued market discount of such bonds; although for this purpose, a de minimis amount of market discount is ignored. A “market discount bond” is one (1) which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the “revised issue price” (i.e., the issue price plus accrued original issue discount). The “accrued market discount” is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

State, Local, and Foreign Taxes

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

Tax Accounting Treatment of Original Issue Discount and Premium Bonds

The initial public offering price to be paid for one (1) or more maturities of the Bonds is less than the principal amount thereof or one (1) or more periods for the payment of interest on the Bonds may not be equal to the accrued period or be in excess of one (1) year (the "Original Issue Discount Bonds"). The difference between (i) the "stated redemption price at maturity" of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond 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 in the initial public offering of the Bonds. The "stated redemption price at maturity" means the sum of all payments to be made on the Bonds less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one (1) year.

Under Existing Law, 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. See "LEGAL MATTERS – Tax Exemption" for a discussion of certain collateral federal tax consequences.

In the event of the redemption, sale, or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Bond was held by such initial owner) is includable in gross income.

Under Existing Law, the original issue discount on each Original Issue Discount Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six (6)-month period ending on the date before the semiannual anniversary dates of the date of the Bonds and ratably within each such six (6)-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale, or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and 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, 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 ORIGINAL ISSUE DISCOUNT BONDS AND WITH RESPECT TO THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP, REDEMPTION, SALE, OR OTHER DISPOSITION OF SUCH ORIGINAL ISSUE DISCOUNT BONDS.

The initial public offering price to be paid for certain maturities of the Bonds is greater than the amount payable on such Bonds at maturity (the "Premium Bonds"). An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial purchaser of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial purchaser must be reduced each year by the amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser's yield to maturity. PURCHASERS OF THE PREMIUM BONDS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS WITH RESPECT TO THE DETERMINATION OF AMORTIZABLE BOND PREMIUM WITH RESPECT TO THE PREMIUM BONDS FOR FEDERAL INCOME TAX PURPOSES AND WITH RESPECT TO THE STATE AND LOCAL TAX CONSEQUENCES OF OWNING PREMIUM BONDS.

NO MATERIAL ADVERSE CHANGE

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

NO-LITIGATION CERTIFICATE

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

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, MDI, the Engineer, the Tax Assessor/Collector, the Appraisal District and information from other sources. All of these sources are believed to be reliable, but no guarantee is made by the District as to the accuracy or completeness of the information derived from sources other than the District, and its inclusion herein is not to be construed as a representation on the part of the District to such effect. Furthermore, there is no guarantee that any of the assumptions or estimates contained herein will be realized. The summaries of the agreements, reports, statutes, resolutions, and 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

Robert W. Baird & Co. Incorporated 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 this 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, Robert W. Baird & Co., Inc. has compiled and edited this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to the District and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

Consultants

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

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

Engineer: The information contained in this Official Statement relating to engineering and to the description of the Water, Sewer and Drainage System and, in particular that information included in the sections entitled "THE DISTRICT," "THE WATER, SEWER AND DRAINAGE SYSTEM," "THE PARK SYSTEM," and "THE ROAD SYSTEM" has been provided by the Engineer and has been included herein in reliance upon the authority of said firm as experts in the field of civil engineering.

Updating of Official Statement

If, subsequent to the date of this Official Statement, to and including the date the Initial Purchaser is no longer required to provide an Official Statement to customers who request same pursuant to SEC Rule 15c2-12 of the Securities Exchange Act (the "Rule"), the District learns, or is notified by the Initial Purchaser, of any adverse event which causes this 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 this Official Statement satisfactory to the Initial Purchaser; provided, however, that the obligation of the District to so amend or supplement this Official Statement will terminate upon the earlier of (i) 90 days after the "end of the underwriting period" as defined in the Rule or (ii) the date this Official Statement is filed with the MSRB, but in no case less than 25 days after the "end of the underwriting period."

Certification as to Official Statement

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

CONTINUING DISCLOSURE OF INFORMATION

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

Annual Reports

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

The information to be updated with respect to the District includes all quantitative financial information and operating data of the general type included in this Official Statement under the headings "DISTRICT DEBT," "TAX DATA" and "APPENDIX A." The District will update and provide this information within six (6) months after the end of each fiscal year. The District will provide the updated information to the MSRB.

Any information so provided 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 fiscal year to the MSRB within such six (6) month period, and audited financial statements when the audit report becomes available.

The District's fiscal year end is currently April 30. Accordingly, it must provide updated information by October 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 (10) 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-exempt status of the Bonds, or other events affecting the tax- exempt status of the Bonds; (7) modifications to rights of beneficial owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the District or other obligated person within the meaning of CFR § 240.15c2-12 (the "Rule"); (13) the consummation of a merger, consolidation, or acquisition involving the District or other obligated person within the meaning of the Rule or the sale of all or substantially all of the assets of the District or other obligated person within the meaning of the Rule, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District or 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 obligated person, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the District or obligated person, any of which reflect financial difficulties. The term "financial obligation" when used in this paragraph shall have the meaning ascribed to it under federal securities laws including meaning a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term "financial obligation" does not include municipal securities for which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule. The term "material" when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Order makes any provision for debt service reserves or liquidity enhancement. In addition, the District will provide timely notice of any failure by the District to provide information, data, or financial statements in accordance with its agreement described above under "CONTINUING DISCLOSURE OF INFORMATION – Annual Reports."

Availability of Information from MSRB

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

Limitations and Amendments

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

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

Compliance with Prior Undertakings

During the last five (5) years, the District has complied in all material respects with its continuing disclosure requirements in accordance with the Rule.

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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/ Charles W. Neuhaus
President, Board of Directors
Generation Park Management District

ATTEST:

/s/ Davis K. Rushing
Secretary, Board of Directors
Generation Park Management District

AERIAL PHOTOGRAPH
(July 2024)

APPENDIX A
Independent Auditor's Report and Financial Statements of the District

Generation Park Management District
Harris County, Texas

Independent Auditor's Report and Financial Statements

April 30, 2024

Generation Park Management District
Contents
April 30, 2024

Forvis Mazars, LLP
2700 Post Oak Boulevard, Suite 1500
Houston, TX 77056
P 713.499.4600 | F 713.499.4699
forvismazars.us

Independent Auditor's Report

Board of Directors
Generation Park Management District
Harris County, Texas

Opinions

We have audited the financial statements of the governmental activities and each major fund of Generation Park Management District (the District), as of and for the year ended April 30, 2024, 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 accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of April 30, 2024, 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 (GAAS). 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.

Emphasis of Matter

As discussed in Note 16 to the financial statements, the beginning net position in the government-wide financial statements has been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 12 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 GAAS 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 GAAS, 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 schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedules required by the Texas Commission on Environmental Quality listed in the table of contents 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. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Forvis Mazars, LLP

Houston, Texas
September 8, 2024

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains supplementary information required by the Governmental Accounting Standards Board and by the District's state oversight agency, the Texas Commission on Environmental Quality (the Commission).

In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities which engage in limited governmental programs, such as the provision of water, sanitary sewer and drainage services, road facilities or economic development programs. Other activities, such as the provision of recreation facilities and solid waste collection, are minor activities and are not budgeted or accounted for as separate programs. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented on the left side of the statements, a column for adjustments is to the right of the fund financial statements, and the government-wide financial statements are presented to the right side of the adjustments column. The following sections describe the measurement focus of the two types of statements and the significant differences in the information they provide.

Government-Wide Financial Statements

The focus of government-wide financial statements is on the overall financial position and activities of the District. The District's government-wide financial statements include the statement of net position and statement of activities, which are prepared using accounting principles that are similar to commercial enterprises. The purpose of the statement of net position is to attempt to report all of the assets, liabilities, and deferred inflows and outflows of resources of the District. The District reports all of its assets when it acquires or begins to maintain the assets and reports all of its liabilities when they are incurred.

The difference between the District's assets, liabilities, and deferred inflows and outflows of resources is labeled as net position and this difference is similar to the total stockholders' equity presented by a commercial enterprise.

The purpose of the statement of activities is to present the revenues and expenses of the District. Again, the items presented on the statement of activities are measured in a manner similar to the approach used by a commercial enterprise in that revenues are recognized when earned or established criteria are satisfied and expenses are reported when incurred by the District. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues are reported even when they may not be collected for several months or years after the end of the accounting period and expenses are recorded even though they may not have used cash during the current year.

Although the statement of activities looks different from a commercial enterprise's statement of income, the financial statement is different only in format, not substance. Whereas the bottom line in a commercial enterprise is its net income, the District reports an amount described as change in net position, essentially the same thing.

Fund Financial Statements

Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the District rather than the District as a whole. 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 or governmental statutes or regulations.

Governmental Funds

Governmental-fund financial statements consist of a balance sheet and a statement of revenues, expenditures and changes in fund balances and are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted into cash. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a very short period of time, but do not include capital assets such as land and water, sewer and drainage systems. Fund liabilities include amounts that are to be paid within a very short period after the end of the fiscal year. The difference between a fund's assets, liabilities, and deferred inflows and outflows of resources is labeled the fund balance and generally indicates the amount that can be used to finance the next fiscal year's activities. Likewise, the operating statement for governmental funds reports only those revenues and expenditures that were collected in cash or paid with cash, respectively, during the current period or very shortly after the end of the fiscal year.

Because the focus of the government-wide and fund financial statements is different, there are significant differences between the totals presented in these financial statements. For this reason, there is an analysis in the notes to financial statements that describes the adjustments to fund balances to arrive at net position presented in the governmental activities column on the statement of net position. Also, there is an analysis in the notes to financial statements that reconciles the total change in fund balances for all governmental funds to the change in net position, as reported in the governmental activities column in the statement of activities.

Notes to Financial Statements

The notes to financial statements provide additional information that is essential to a full understanding of the data found in the government-wide and fund financial statements.

Financial Analysis of the District as a Whole

The District's overall financial position and activities for the past two years are summarized as follows, based on the information included in the government-wide financial statements.

Summary of Net Position

	2024	Restated 2023
Current and other assets	$ 36,043,797	$ 33,318,133
Capital and lease assets	120,062,671	89,520,072
Total assets	$ 156,106,468	$ 122,838,205
Long-term liabilities	$ 162,236,569	$ 121,307,101
Other liabilities	4,102,847	5,150,569
Total liabilities	166,339,416	126,457,670
Net position:		
Net investment in capital assets	5,359,154	5,412,563
Restricted	10,294,365	9,298,435
Unrestricted	(25,886,467)	(18,330,463)
Total net position	$ (10,232,948)	$ (3,619,465)

The total net position of the District decreased by $6,613,483 or approximately 183%. The majority of the decrease in net position is related to depreciation and amortization expense on the District's capital and lease assets and the conveyance of capital assets to another governmental entity for maintenance. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Summary of Changes in Net Position

	2024	Restated 2023
Revenues:		
Property taxes	$ 12,364,996	$ 10,584,030
Sales and use taxes	3,980,560	3,307,805
Charges for services	2,013,502	1,725,416
Other revenues	2,580,922	1,399,720
Total revenues	20,939,980	17,016,971
Expenses:		
Services	8,044,833	6,173,626
Depreciation and amortization	3,387,911	2,806,352
Conveyance of capital assets	11,701,394	13,366,320
Debt service	4,419,325	3,887,471
Total expenses	27,553,463	26,233,769
Change in net position	(6,613,483)	(9,216,798)
Net position, beginning of year	(3,619,465)	5,597,333
Net position, end of year	$ (10,232,948)	$ (3,619,465)

Financial Analysis of the District's Funds

The District's combined fund balances as of the end of the fiscal year ended April 30, 2024, were $32,518,646, an increase of $3,955,382 from the prior year.

The general fund's fund balance increased by $4,335,246, primarily due to property tax revenues, service revenues, and sales and use tax revenues exceeding operating and capital outlay expenditures and a transfer to the debt service fund.

The special revenue fund's fund balance remained the same as all expenditures were billed to participants.

The debt service fund's fund balance increased by $365,187, primarily due to property tax revenues, investment income and a transfer from the general fund exceeding bond principal and interest requirements.

The capital projects fund's fund balance decreased by $745,051, primarily due to capital outlay expenditures and debt issuance costs exceeding proceeds from the sale of the Series 2023 bonds and investment income.

General Fund Budgetary Highlights

There were several differences between the final budgetary amounts and actual amounts. The major differences between budget and actual were due to sales and use tax revenues, tap connection and inspection revenues and related expenditures, investment income and capital outlay expenditures being greater than anticipated and professional fees, lease payments and interfund transfers out being less than anticipated. The fund balance as of April 30, 2024, was expected to be $15,517,266, and the actual end-of-year fund balance was $18,005,135.

Capital and Lease Assets and Related Debt

Capital and Lease Assets

Capital and lease assets held by the District at the end of the current and previous fiscal years are summarized below:

Capital and Lease Assets (Net of Accumulated Depreciation and Amortization)

	2024	Restated 2023
Land and improvements	$ 40,305,124	$ 24,910,914
Construction in progress	1,921,193	2,037,630
Water facilities	13,457,217	13,490,526
Wastewater facilities	16,713,336	9,831,782
Drainage facilities	23,927,594	15,719,889
Road facilities	2,493,219	2,713,234
Parks and recreation	12,044,562	11,029,299
Parking facilities	8,747,109	8,993,494
Lease assets	453,317	793,304
Total capital and lease assets	$ 120,062,671	$ 89,520,072

During the current year, additions to capital and lease assets were as follows:

Clearing and grubbing to serve West Lake Houston Parkway, Section 7, and West Houston, Phase 2, and Generation Park Well No. 1 and water line transmission	$ 20,765
Construction in progress related to South Regional reclaimed water pump station tree planting	1,679,113
Utilities to serve West Lake Houston Parkway sections 6 and 7	1,669,497
Fidelis waterline loop	55,542
Lift station No. 4	195,963
Utilities extension agreement and transfer pad	414,194
East wastewater treatment plant phase 1	3,741,564
Drainage utilities and lift station to serve Generation Park South section 1	10,707,147
Generation Park South Drainage, Phase 1 (Ponds D, E, F and Outfall)	15,373,445
West Lake Park lighting	87,381
West Lake Houston Parkway Redemption Square landscape	43,250
Artificial turf installation	97,081
Total additions to capital and lease assets	$ 34,084,942

Developers within the District have constructed underground utilities, storm water detention facilities, recreational facilities, roads, parking facilities, conduit and electrical power facilities on behalf of the District under the terms of contracts with the District. The District has agreed to purchase these facilities from the proceeds of future bond issues subject to the approval of the Commission, if and as applicable. As of April 30, 2024, a liability for developer-constructed capital assets of $56,120,089 was recorded in the government-wide financial statements.

Debt

The changes in the debt position of the District during the fiscal year ended April 30, 2024, are summarized as follows:

Long-term debt payable, beginning of year, restated	$ 121,307,101
Increases in long-term debt	51,042,177
Decreases in long-term debt	(10,112,709)
Long-term debt payable, end of year	$ 162,236,569

At April 30, 2024, the District had the following unlimited tax bonds authorized, but unissued, for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage systems, and other facilities within the District.

	Authorized	Issued	Unissued
Water, sewer and drainage	$ 873,250,000	$ 62,525,000	$ 810,725,000
Recreational facilities	167,000,000	8,150,000	158,850,000
Road facilities	1,511,198,000	27,815,000	1,483,383,000
Electrical conduit facilities	611,000,000	-	611,000,000
Rail facilities	24,000,000	-	24,000,000
Parking facilities	2,219,000,000	-	2,219,000,000
Public transportation facilities	57,000,000	-	57,000,000
Economic development	51,000,000	-	51,000,000
Water, sewer and drainage refunding	215,000,000	-	215,000,000
Recreational facilities refunding	48,000,000	-	48,000,000
Road facilities refunding	431,000,000	-	431,000,000
Electrical conduit facilities refunding	183,000,000	-	183,000,000
Rail facilities refunding	7,200,000	-	7,200,000
Parking facilities refunding	665,000,000	-	665,000,000
Public transportation facilities refunding	17,000,000	-	17,000,000
Economic development refunding	15,000,000	-	15,000,000

The District's bonds carry an underlying rating of "A3" from Moody's Investors Service. The Series 2019, Series 2020 Road, Series 2020A, Series 2022 and Series 2023 bonds carry a "AA" rating from Standard & Poor's by virtue of bond insurance issued by Build America Mutual Assurance Company.

Other Relevant Factors

Relationship to the City of Houston

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City of Houston (the City), the District must conform to the City ordinance consenting to the creation of the District. In addition, the District may be annexed by the City without the District's consent, however, the City may not annex the District unless such annexation is approved in an election by a majority of voters within the area to be annexed. If the District is annexed, the City must assume the District's assets and obligations (including the bonded indebtedness) and abolish the District within 90 days.

Commitments

Developers of the District are constructing water, sewer, drainage, road, recreational, parking, conduit and electrical power facilities within the boundaries of the District. The District has agreed to reimburse the developers for a portion of these costs, plus interest, from the proceeds of future bond sales, to the extent approved by the Commission (if applicable). The District's engineer has stated that current construction contract amounts are approximately $32,950,000. This amount has not been recorded in the financial statements since the facilities are not complete or operational.

Generation Park Management District
Statement of Net Position and Governmental Funds Balance Sheet
April 30, 2024

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets							
Cash	$ 303,587	$ 25,389	$ 136,589	$ 75	$ 465,640	$ -	$ 465,640
Certificates of deposit	940,000	-	-	-	940,000	-	940,000
Short-term investments	17,156,972	583,199	10,322,735	5,201,340	33,264,246	-	33,264,246
Receivables:							
Property taxes	71,574	-	52,247	-	123,821	-	123,821
Sales and use taxes	696,112	-	-	-	696,112	-	696,112
Service accounts	203,430	-	-	-	203,430	-	203,430
Accrued interest	17,324	-	-	-	17,324	-	17,324
Interfund receivables	474,055	16,846	-	-	490,901	(490,901)	-
Due from participants	-	80,349	-	-	80,349	(32,311)	48,038
Operating deposit	72,826	-	-	-	72,826	(72,826)	-
Prepaid expenditures	51,707	179	-	-	51,886	(16,700)	35,186
Due from others	250,000	-	-	-	250,000	-	250,000
Capital and lease assets (net of accumulated depreciation and amortization):							
Land and improvements	-	-	-	-	-	40,305,124	40,305,124
Construction in progress	-	-	-	-	-	1,921,193	1,921,193
Infrastructure	-	-	-	-	-	54,098,147	54,098,147
Road facilities	-	-	-	-	-	2,493,219	2,493,219
Parks and recreation	-	-	-	-	-	12,044,562	12,044,562
Parking facilities	-	-	-	-	-	8,747,109	8,747,109
Lease assets	-	-	-	-	-	453,317	453,317
Total assets	$ 20,237,587	$ 705,962	$ 10,511,571	$ 5,201,415	$ 36,656,535	$ 119,449,933	$ 156,106,468

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Liabilities							
Accounts payable	$ 888,212	$ 41,693	$ 219,209	$ 333,622	$ 1,482,736	$ (32,311)	$ 1,450,425
Accrued interest payable	-	-	-	-	-	620,474	620,474
Retainage payable	-	-	-	120,342	120,342	-	120,342
Customer deposits	383,464	-	-	-	383,464	-	383,464
Operating deposits	-	72,826	-	-	72,826	(72,826)	-
Due to others	872,356	591,443	-	-	1,463,799	64,343	1,528,142
Interfund payables	16,846	-	474,055	-	490,901	(490,901)	-
Long-term liabilities:							
Due within one year	-	-	-	-	-	4,572,978	4,572,978
Due after one year	-	-	-	-	-	157,663,591	157,663,591
Total liabilities	2,160,878	705,962	693,264	453,964	4,014,068	162,325,348	166,339,416
Deferred Inflows of Resources							
Deferred property tax revenues	71,574	-	52,247	-	123,821	(123,821)	-
Fund Balances/Net Position							
Fund balances:							
Nonspendable, prepaid expenditures	51,707	-	-	-	51,707	(51,707)	-
Restricted:							
Unlimited tax utility bonds	-	-	7,967,617	-	7,967,617	(7,967,617)	-
Unlimited tax road bonds	-	-	1,798,443	-	1,798,443	(1,798,443)	-
Water, sewer and drainage	-	-	-	4,015,271	4,015,271	(4,015,271)	-
Roads	-	-	-	732,180	732,180	(732,180)	-
Assigned, operating deposit	72,826	-	-	-	72,826	(72,826)	-
Unassigned	17,880,602	-	-	-	17,880,602	(17,880,602)	-
Total fund balances	18,005,135	-	9,766,060	4,747,451	32,518,646	(32,518,646)	-
Total liabilities, deferred inflows of resources and fund balances	$ 20,237,587	$ 705,962	$ 10,511,571	$ 5,201,415	$ 36,656,535		
Net position:							
Net investment in capital assets						5,359,154	5,359,154
Restricted for debt service						9,197,833	9,197,833
Restricted for capital projects						1,096,532	1,096,532
Unrestricted						(25,886,467)	(25,886,467)
Total net position						$ (10,232,948)	$ (10,232,948)

Generation Park Management District
Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances
Year Ended April 30, 2024

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues							
Property taxes	$ 7,265,818	$ -	$ 5,284,284	$ -	$ 12,550,102	$ (185,106)	$ 12,364,996
Sales and use taxes	3,980,560	-	-	-	3,980,560	-	3,980,560
Water service	1,154,728	-	-	-	1,154,728	-	1,154,728
Sewer service	426,802	672,521	-	-	1,099,323	(419,653)	679,670
Parking service	179,104	-	-	-	179,104	-	179,104
Penalty and interest	18,997	-	59,127	-	78,124	-	78,124
Tap connection and inspection fees	837,018	-	-	-	837,018	-	837,018
Investment income	802,329	93	411,888	321,872	1,536,182	-	1,536,182
Other income	103,797	25,801	-	-	129,598	-	129,598
Total revenues	14,769,153	698,415	5,755,299	321,872	21,544,739	(604,759)	20,939,980
Expenditures/Expenses							
Service operations:							
Purchased services	1,793,728	-	-	-	1,793,728	(483,995)	1,309,733
Economic development	438,239	-	-	-	438,239	-	438,239
Professional fees	708,527	6,339	14,154	-	729,020	53,484	782,504
Contracted services	799,285	75,006	115,775	-	990,066	14,092	1,004,158
Utilities	94,344	45,356	-	-	139,700	-	139,700
Repairs and maintenance	2,476,520	327,423	-	-	2,803,943	315,814	3,119,757
Tap connections	460,624	-	-	-	460,624	-	460,624
Other expenditures	201,740	43,891	88,952	432	335,015	455,103	790,118
Capital outlay	1,021,158	-	-	11,512,909	12,534,067	(12,534,067)	-
Depreciation and amortization	-	-	-	-	-	3,387,911	3,387,911
Conveyance of capital assets	-	-	-	-	-	11,701,394	11,701,394
Debt service:							
Principal retirement	-	-	4,040,000	-	4,040,000	(4,040,000)	-
Interest and fees	-	-	3,509,944	-	3,509,944	212,095	3,722,039
Debt issuance costs	75,000	-	-	584,745	659,745	-	659,745
Lease payments	37,541	200,400	-	-	237,941	(200,400)	37,541
Total expenditures/expenses	8,106,706	698,415	7,768,825	12,098,086	28,672,032	(1,118,569)	27,553,463
Excess (Deficiency) of Revenues Over Expenditures	6,662,447	-	(2,013,526)	(11,776,214)	(7,127,293)	513,810	
Other Financing Sources (Uses)							
Interfund transfers in (out)	(2,327,201)	-	2,378,713	(51,512)	-	-	
General obligation bonds issued	-	-	-	11,360,000	11,360,000	(11,360,000)	
Discount on debt issued	-	-	-	(277,325)	(277,325)	277,325	
Total other financing sources (uses)	(2,327,201)	-	2,378,713	11,031,163	11,082,675	(11,082,675)	
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	4,335,246	-	365,187	(745,051)	3,955,382	(3,955,382)	
Change in Net Position						(6,613,483)	(6,613,483)
Fund Balances/Net Position							
Beginning of year, as previously reported	13,669,889	-	9,400,873	5,492,502	28,563,264	-	22,283,751
Adjustment applicable to prior years (Note 16)							(25,903,216)
Beginning of year, restated							(3,619,465)
End of year	$ 18,005,135	$ -	$ 9,766,060	$ 4,747,451	$ 32,518,646	$ -	$ (10,232,948)

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Generation Park Management District (the District) was created and operates pursuant to the provisions of Chapter 1112, Acts of the 83rd Texas Legislature, Regular Session, 2013, effective June 14, 2013 (inception), as codified under Chapter 3916, Texas Special District Local Laws Code, as amended. The District is authorized to promote, develop, encourage and maintain employment, commerce, transportation, housing, tourism, recreation, arts and entertainment, economic development, safety and the public welfare inside and outside of its boundaries. The principal functions of the District are to finance development and beautification of commercial areas of the District.

On November 14, 2014, the District consolidated Harris County Municipal Utility District No. 402 (MUD No. 402) with its operations. MUD No. 402 was created and operated pursuant to the provisions of Chapters 49 and 54 of the Texas Water Code, Chapter 8198 Special District Local Laws Code, and Article III, Section 52 and Article XVI, Section 59 of the Texas Constitution. MUD No. 402 was empowered to purchase, operate and maintain all facilities, plants and improvements necessary to provide water, sanitary sewer service, storm sewer drainage, to construct roads and to construct parks and recreational facilities.

On February 25, 2019, Harris County Municipal Utility District No. 424 (District 424) dissolved and all land encompassing District 424 and improvements made within were transferred to the District. All rights, obligations and liabilities included in contracts for financing improvements and operations within District 424 were assigned to the District.

The District is governed by a Board of Directors (the Board) consisting of five individuals who are residents or owners of property within the District and are elected by voters within the District. The Board sets the policies of the District. The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America for state and local governments, as defined by the Governmental Accounting Standards Board. The following is a summary of the significant accounting and reporting policies of the District:

Reporting Entity

The accompanying government-wide financial statements present the financial statements of the District. There are no component units that are legally separate entities for which the District is considered to be financially accountable. Accountability is defined as the District’s substantive appointment of the voting majority of the component unit’s governing board. Furthermore, to be financially accountable, the District must be able to impose its will upon the component unit or there must be a possibility that the component unit may provide specific financial benefits to, or impose specific financial burdens on, the District.

Government-Wide and Fund Financial Statements

In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities which engage in limited governmental programs, such as the provision of water, wastewater, drainage, road facilities, economic development programs and other related services. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented with a column for adjustments to convert to the government-wide financial statements.

The government-wide financial statements report information on all of the activities of the District. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Governmental activities generally are financed through taxes, charges for services and intergovernmental revenues. The statement of activities reflects the revenues and expenses of the District.

The fund financial statements provide information about the District's governmental funds. Separate statements for each governmental fund are presented. The emphasis of fund financial statements is directed to specific activities of the District.

The District presents the following major governmental funds:

General Fund – The general fund is the primary operating fund of the District which accounts for all financial resources not accounted for in another fund. Revenues are derived primarily from property taxes, sales and use taxes, charges for services and interest income.

Special Revenue Fund – Accounts for revenues and expenditures involving specific revenue sources that are legally restricted to expenditures for specified purposes. The primary source of revenue is participant fees.

Debt Service Fund – The debt service fund is used to account for financial resources that are restricted, committed or assigned to expenditures for principal and interest related costs, as well as the financial resources being accumulated for future debt service.

Capital Projects Fund – The capital projects fund is used to account for financial resources that are restricted, committed or assigned to expenditures for capital outlays.

Fund Balances – Governmental Funds

The fund balances for the District's governmental funds can be displayed in up to five components.

Nonspendable – Amounts that are not in a spendable form or are required to be maintained intact.

Restricted – Amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers.

Committed – Amounts that can be used only for the specific purposes determined by resolution of the Board. Commitments may be changed or lifted only by issuance of a resolution by the District's Board.

Assigned – Amounts intended to be used by the District for specific purposes as determined by management. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

Unassigned – The residual classification for the general fund and includes all amounts not contained in the other classifications.

The District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District applies committed amounts first, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

Nonexchange transactions, in which the District receives (or gives) value without directly giving (or receiving) equal value in exchange, include property taxes and donations. Recognition standards are based on the characteristics and classes of nonexchange transactions. Revenues from property taxes are recognized in the period for which the taxes are levied. Donations are recognized as revenues, net of estimated uncollectible amounts, as soon as all eligibility requirements imposed by the provider have been met. Amounts received before all eligibility requirements have been met are reported as liabilities. Intergovernmental revenues are recognized as revenues, net of estimated refunds and uncollectible amounts, in the accounting period when an enforceable legal claim to the assets arises and the use of resources is required or is first permitted.

Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and liabilities are generally included on the balance sheet. The statement of governmental funds revenues, expenditures and changes in fund balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in spendable resources. General capital asset acquisitions are reported as expenditures and proceeds of long-term debt are reported as other financing sources. Under the modified accrual basis of accounting, revenues are recognized when both measurable and available. The District considers revenues reported in the governmental funds to be available if they are collectible within 60 days after year-end. Principal revenue sources considered susceptible to accrual include taxes, charges for services and investment income. Other revenues are considered to be measurable and available only when cash is received by the District. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized as expenditures when payment is due.

Deferred Outflows and Inflows of Resources

A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period and a deferred inflow of resources is an acquisition of net position that is applicable to a future reporting period.

Interfund Transactions

Transfers from one fund to another fund are reported as interfund receivables and payables if there is intent to repay the amount and if there is the ability to repay the advance on a timely basis. Transfers represent legally authorized transfers from the fund receiving resources to the fund through which the resources are to be expended.

Pension Costs

The District does not participate in a pension plan and, therefore, has no pension costs.

Use of Estimates

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

Investments and Investment Income

Investments in certificates of deposit, U.S. Government and agency securities, and certain pooled funds, which have a remaining maturity of one year or less at the date of purchase, are recorded at amortized cost. All other investments are carried at fair value. Fair value is determined using quoted market values.

Investment income includes dividends and interest income and the net change for the year in the fair value of investments carried at fair value. Investment income is credited to the fund in which the investment is recorded.

Property Taxes

An appraisal district annually prepares appraisal records listing all property within the District and the appraised value of each parcel or item as of January 1. Additionally, on January 1, a tax lien attaches to property to secure the payment of all taxes, penalty and interest ultimately imposed for the year on the property. After the District receives its certified appraisal roll from the appraisal district, the rate of taxation is set by the Board of the District based upon the aggregate appraisal value. Taxes are due and payable October 1 or when billed, whichever is later, and become delinquent after January 31 of the following year.

In the governmental funds, property taxes are initially recorded as receivables and deferred inflows of resources at the time the tax levy is billed. Revenues recognized during the fiscal year ended April 30, 2024, include collections during the current period or within 60 days of year-end related to the 2023 and prior years' tax levies.

In the government-wide statement of net position, property taxes are considered earned in the budget year for which they are levied. For the District's fiscal year ended April 30, 2024, the 2023 tax levy is considered earned during the current fiscal year. In addition to property taxes levied, any delinquent taxes are recorded net of amounts considered uncollectible.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an individual cost of $5,000 or more and an estimated useful life of two years or more. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized.

Harris County assumes the maintenance and other incidents of ownership of certain road facilities constructed by the District. Accordingly, these assets are not recorded in the financial statements of the District.

Capital assets are depreciated using the straight-line method over their estimated useful lives as follows.

	Years
Water production and distribution facilities	10-45
Wastewater collection and treatment facilities	10-45
Drainage facilities	10-45
Road facilities	10-45
Parks and recreation facilities	10-45
Parking facilities	10-45

Lease Assets

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Debt Issuance Costs

Debt issuance costs, other than prepaid insurance, do not meet the definition of an asset or deferred outflows of resources since the costs are not applicable to a future period and, therefore, are recognized as an expense/expenditure in the period incurred.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are recognized as a liability or asset, respectively, and amortized over the life of the related debt using the effective interest rate method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position/Fund Balances

Fund balances and net position are reported as restricted when constraints placed on them are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or are imposed by law through constitutional provisions or enabling legislation.

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

Although the District’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Reconciliation of Government-Wide and Fund Financial Statements

Amounts reported for net position of governmental activities in the statement of net position and fund balances in the governmental funds balance sheet are different because:

Capital and lease assets used in governmental activities are not financial resources and are not reported in the funds.	$ 120,062,671
Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements.	123,821
Prepaid lease expenditures are not reported as assets in the statement of net position.	(16,700)
Accrued interest on long-term liabilities is not payable with current financial resources and is not reported in the funds.	(620,474)
Amounts due to others are not due and payable in the current period and are not reported in the funds.	(64,343)

Long-term debt obligations are not due and payable in the current period and are not reported in the funds.	$ (162,236,569)
Adjustment to fund balances to arrive at net position.	$ (42,751,594)

Amounts reported for change in net position of governmental activities in the statement of activities are different from change in fund balances in the governmental funds statement of revenues, expenditures and changes in fund balances because:

Change in fund balances.	$ 3,955,382
Governmental funds report capital outlays as expenditures. However, for government-wide financial statements, the cost of capitalized assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which depreciation and amortization expense, conveyed capital assets and noncapitalized costs exceeded capital outlay expenditures in the current period.	(3,329,389)
Governmental funds report lease payments as expenditures. For the statement of activities, these are reported as a reduction of lease liability and interest expense.	200,400
Governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	277,325
Governmental funds report proceeds from the sales of bonds because they provide current financial resources to governmental funds. Principal payments on debt are recorded as expenditures. None of these transactions, however, have any effect on net position.	(7,320,000)
Revenues collected in the current year, which have previously been reported in the statement of activities, are reported as revenues in the governmental funds.	(185,106)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(212,095)
Change in net position of governmental activities.	$ (6,613,483)

Note 2. Deposits, Investments and Investment Income

Deposits

Custodial credit risk is the risk that, in the event of a bank failure, a government’s deposits may not be returned to it. The District’s deposit policy for custodial credit risk requires compliance with the provisions of state law.

State law requires collateralization of all deposits with federal depository insurance; a surety bond; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities of the State of Texas; or certain collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States.

At April 30, 2024, none of the District's bank balances were exposed to custodial credit risk.

Investments

The District may legally invest in obligations of the United States or its agencies and instrumentalities, direct obligations of Texas or its agencies or instrumentalities, collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States, other obligations guaranteed as to principal and interest by the State of Texas or the United States or their agencies and 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, obligations of states, agencies and counties and other political subdivisions with an investment rating not less than "A," certificates of deposit of financial institutions domiciled in Texas, and certain bankers' acceptances, repurchase agreements, mutual funds, commercial paper, guaranteed investment contracts and investment pools.

The District's investment policy may be more restrictive than the Public Funds Investment Act.

The District invests in Texas CLASS, an external investment pool that is not registered with the Securities and Exchange Commission. A Board of Trustees, elected by the participants, has oversight of Texas CLASS. The District's investments may be redeemed at any time. Texas CLASS attempts to minimize its exposure to market and credit risk through the use of various strategies and credit monitoring techniques and limits its investment in any issuer to the top two ratings issued by nationally recognized statistical rating organizations. The District's investments in Texas CLASS are reported at net asset value.

At April 30, 2024, the District had the following investments and maturities:

		Maturities in Years			
Type	**Fair Value**	**Less Than 1**	**1-5**	**6-10**	**More Than 10**
Texas CLASS	$ 33,264,246	$ 33,264,246	$ -	$ -	$ -

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy does not allow investments in certain mortgage-backed securities, collateralized mortgage obligations with a final maturity date in excess of 10 years and interest rate indexed collateralized mortgage obligations. The external investment pool is presented as an investment with a maturity of less than one year because it is redeemable in full immediately.

Credit Risk. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At April 30, 2024, the District's investments in Texas CLASS were rated "AAAm" by Standard & Poor's.

Summary of Carrying Values

The carrying values of deposits and investments shown above are included in the balance sheet at April 30, 2024, as follows.

Carrying value:	
Deposits	$ 1,405,640
Investments	33,264,246
Total	$ 34,669,886

Included in the following statement of net position captions:

Cash	$ 465,640
Certificates of deposit	940,000
Short-term investments	33,264,246
Total	$ 34,669,886

Investment Income

Investment income of $1,536,182 for the year ended April 30, 2024, consisted of interest income.

Fair Value Measurements

The District has the following recurring fair value measurements as of April 30, 2024:

- Pooled investments of $33,264,246 are valued at fair value per share of the pool's underlying portfolio.

Note 3. Capital and Lease Assets

A summary of changes in capital and lease assets for the year ended April 30, 2024, is presented below:

Governmental Activities	Balances, Beginning of Year, Restated	Additions	Retirements/ Reclassifi-cations	Balances, End of Year
Capital assets, non-depreciable:				
Land and improvements	$ 24,910,914	$ 15,394,210	$ -	$ 40,305,124
Construction in progress	2,037,630	1,679,113	(1,795,550)	1,921,193
Total capital assets, non-depreciable	26,948,544	17,073,323	(1,795,550)	42,226,317
Capital and lease assets, depreciable and amortizable:				
Water production and distribution facilities	16,605,401	369,040	-	16,974,441
Wastewater collection and treatment facilities	12,044,274	7,575,015	-	19,619,289
Drainage facilities	17,636,654	8,839,852	-	26,476,506
Road facilities	4,135,807	-	-	4,135,807
Parks and recreation	14,437,823	227,712	1,641,118	16,306,653
Parking facilities	10,325,742	-	-	10,325,742
Lease assets - equipment	1,133,292	-	-	1,133,292
Total capital and lease assets, depreciable/amortizable	76,318,993	17,011,619	1,641,118	94,971,730

Governmental Activities (Continued)	Balances, Beginning of Year, Restated	Additions	Retirements/ Reclassifi-cations	Balances, End of Year
Less accumulated depreciation and amortization:				
Water production and distribution facilities	$ (3,114,875)	$ (402,349)	$ -	$ (3,517,224)
Wastewater collection and treatment facilities	(2,212,492)	(693,461)	-	(2,905,953)
Drainage facilities	(1,916,765)	(632,147)	-	(2,548,912)
Road facilities	(1,422,573)	(220,015)	-	(1,642,588)
Parks and recreation	(3,408,524)	(853,567)	-	(4,262,091)
Parking facilities	(1,332,248)	(246,385)	-	(1,578,633)
Lease assets - equipment	(339,988)	(339,987)	-	(679,975)
Total accumulated depreciation and amortization	(13,747,465)	(3,387,911)	-	(17,135,376)
Total governmental activities, net	$ 89,520,072	$ 30,697,031	$ (154,432)	$ 120,062,671

Note 4. Long-Term Liabilities

Changes in long-term liabilities for the year ended April 30, 2024, were as follows:

Governmental Activities	Balances, Beginning of Year	Increases	Decreases	Balances, End of Year	Amounts Due in One Year
Bonds payable:					
General obligation bonds	$ 78,660,000	$ 11,360,000	$ 2,645,000	$ 87,375,000	$ 2,995,000
Direct placement bonds	20,600,000	-	1,395,000	19,205,000	1,450,000
Less discounts on bonds	1,784,122	277,325	67,533	1,993,914	-
	97,475,878	11,082,675	3,972,467	104,586,086	4,445,000
Due to developers	22,183,759	39,959,502	6,023,172	56,120,089	-
Developer advances	662,799	-	-	662,799	-
Lease liability	984,665	-	117,070	867,595	127,978
Total governmental activities long-term liabilities	$121,307,101	$ 51,042,177	$ 10,112,709	$162,236,569	$ 4,572,978

General Obligation Bonds

	Series 2015	Series 2016
Amounts outstanding, April 30, 2024	$3,485,000	$12,550,000
Interest rates	2.00% to 4.00%	2.00% to 4.00%
Maturity dates, serially beginning/ending	September 1, 2024/2040	September 1, 2024/2040
Interest payment dates	March 1/ September 1	March 1/ September 1
Callable dates*	September 1, 2023	September 1, 2024

	Road Series 2016A	Series 2016B
Amounts outstanding, April 30, 2024	$7,660,000	$6,765,000
Interest rates	2.00% to 4.00%	2.40% to 3.90%
Maturity dates, serially beginning/ending	September 1, 2024/2041	September 1, 2024/2041
Interest payment dates	March 1/ September 1	March 1/ September 1
Callable dates*	September 1, 2024	September 1, 2024

	Series 2017	Series 2018**
Amounts outstanding, April 30, 2024	$9,260,000	$11,750,000
Interest rates	2.50% to 4.50%	3.80%
Maturity dates, serially beginning/ending	September 1, 2024/2042	September 1, 2024/2033
Interest payment dates	March 1/ September 1	March 1/ September 1
Callable dates*	September 1, 2025	September 1, 2025

*Or any date thereafter; callable at par plus accrued interest to the date of redemption.
**Direct placement bonds.

	Series 2019	Road Series 2020
Amounts outstanding, April 30, 2024	$4,840,000	$17,315,000
Interest rates	2.00% to 3.00%	2.50% to 5.00%
Maturity dates, serially beginning/ending	September 1, 2024/2044	September 1, 2024/2045
Interest payment dates	March 1/ September 1	March 1/ September 1
Callable dates*	September 1, 2024	September 1, 2025
	Series 2020A	**Series 2021****
Amounts outstanding, April 30, 2024	$7,505,000	$7,455,000
Interest rates	2.00% to 4.50%	2.196%
Maturity dates, serially beginning/ending	September 1, 2024/2044	September 1, 2024/2036
Interest payment dates	March 1/ September 1	March 1/ September 1
Callable dates*	September 1, 2025	September 1, 2030
	Series 2022	**Series 2023**
Amounts outstanding, April 30, 2024	$6,635,000	$11,360,000
Interest rates	4.00% to 6.00%	4.00% to 5.00%
Maturity dates, serially beginning/ending	September 1, 2024/2047	September 1, 2024/2048
Interest payment dates	March 1/ September 1	March 1/ September 1
Callable dates*	September 1, 2028	September 1, 2029

*Or any date thereafter; callable at par plus accrued interest to the date of redemption.
**Direct placement bonds.

Annual Debt Service Requirements

The following schedule shows the annual debt service requirements to pay principal and interest on general obligation bonds outstanding at April 30, 2024.

	General Obligation Bonds		Direct Placement Bonds		
Fiscal Year	**Principal**	**Interest**	**Principal**	**Interest**	**Total**
2025	$ 2,995,000	$ 3,060,494	$ 1,450,000	$ 586,351	$ 8,091,845
2026	3,100,000	2,953,373	1,505,000	537,745	8,096,118
2027	3,205,000	2,842,068	1,560,000	487,329	8,094,397
2028	3,315,000	2,727,915	1,620,000	435,009	8,097,924
2029	3,430,000	2,611,056	1,675,000	380,786	8,096,842
2030-2034	19,065,000	11,139,448	9,370,000	1,016,642	40,591,090
2035-2039	22,960,000	7,479,605	2,025,000	67,801	32,532,406
2040-2044	21,120,000	3,238,076	-	-	24,358,076
2045-2049	8,185,000	634,288	-	-	8,819,288
Total	$ 87,375,000	$ 36,686,323	$ 19,205,000	$ 3,511,663	$ 146,777,986

The bonds issued to date, with the exception of the Series 2018 and 2021 bonds, are payable from the proceeds of an ad valorem tax levied upon all property within the District subject to taxation, without limitation as to rate or amount. The Series 2018 and 2021 bonds are payable from sales and use taxes collected by the District.

Bonds authorized by voters but unissued as of April 30, 2024, include the following:

	Authorized	**Issued**	**Unissued**
Water, sewer and drainage	$ 873,250,000	$ 62,525,000	$ 810,725,000
Recreational facilities	167,000,000	8,150,000	158,850,000
Road facilities	1,511,198,000	27,815,000	1,483,383,000
Electrical conduit facilities	611,000,000	-	611,000,000
Rail facilities	24,000,000	-	24,000,000
Parking facilities	2,219,000,000	-	2,219,000,000
Public transportation facilities	57,000,000	-	57,000,000
Economic development	51,000,000	-	51,000,000
Water, sewer and drainage refunding	215,000,000	-	215,000,000
Recreational facilities refunding	48,000,000	-	48,000,000
Road facilities refunding	431,000,000	-	431,000,000
Electrical conduit facilities refunding	183,000,000	-	183,000,000
Rail facilities refunding	7,200,000	-	7,200,000
Parking facilities refunding	665,000,000	-	665,000,000
Public transportation facilities refunding	17,000,000	-	17,000,000
Economic development refunding	15,000,000	-	15,000,000

Lease Liability

The following schedule shows the annual lease requirements to pay principal and interest on lease liability outstanding at April 30, 2024.

Year	Principal	Interest	Total
2025	$ 127,978	$ 72,422	$ 200,400
2026	739,617	26,718	766,335
Total	$ 867,595	$ 99,140	$ 966,735

Due to Developers

Developers of the District have constructed underground utilities, storm water detention facilities, recreational facilities, roads, parking facilities, conduit and electrical power facilities on behalf of the District. The District's engineer estimates reimbursable costs for completed projects are $56,120,089. The District has agreed to reimburse these amounts, plus interest, to the extent approved by the Commission, if applicable, from the proceeds of future bond sales. These amounts have been recorded in the financial statements as long-term liabilities.

Developer Advances

Developers of the District have advanced $662,799 to the District for operating expenses. The District has agreed to repay the advances, plus interest, to the extent approved by the Commission from the proceeds of future bond sales. These amounts have been recorded in the financial statements as long-term liabilities.

Note 5. Significant Bond Order and Commission Requirements

(A) The Series 2015, Series 2016, Series 2016B, Series 2017, Series 2019, Series 2020A, Series 2022 and Series 2023 Bond Orders require that the District levy and collect an ad valorem debt service tax sufficient to pay interest and principal on water, sewer, drainage and recreational facilities (WSD&R) bonds when due. During the year ended April 30, 2024, the District levied an ad valorem WSD&R debt service tax at the rate of $0.4050 per $100 of assessed valuation, which resulted in a tax levy of $4,393,496 on the taxable valuation of $1,084,813,793 for the 2023 tax year. The interest and principal requirements to be paid from the tax revenues and available resources are $4,392,117, of which $1,094,006 has been paid and $3,298,111 is due September 1, 2024.

(B) The Road Series 2016A and Road Series 2020 Bond Orders require that the District levy and collect an ad valorem debt service tax sufficient to pay principal and interest on road bonds when due. During the year ended April 30, 2024, the District levied an ad valorem road debt service tax at the rate of $0.1550 per $100 of assessed valuation which resulted in a tax levy of $1,681,461 on the taxable valuation of $1,084,813,793 for the 2023 tax year. The interest and principal requirements to be paid from the road debt service tax revenues and other available resources are $1,686,412 of which $433,206 has been paid and $1,253,206 is due September 1, 2024.

(C) During the current fiscal year, the District transferred $51,512 from the capital projects fund to the general fund. The transfer was in accordance with the rules of the Commission.

Note 6. Maintenance Taxes

At an election held May 10, 2014, voters authorized a maintenance tax not to exceed $1.50 per $100 of assessed valuation on all property within the District subject to taxation. During the year ended April 30, 2024, the District levied an ad valorem maintenance tax at the rate of $0.7700 per $100 of assessed valuation, which resulted in a tax levy of $8,353,066 on the taxable valuation of $1,084,813,793 for the 2023 tax year. The maintenance tax is being used by the general fund to pay expenditures of operating the District.

Note 7. Water Supply Contract

The District has entered into a water supply contract with the City of Houston (the City). The terms of the contract are as follows.

The District has agreed to construct all facilities necessary to enable it to receive water from the City's distribution system. The District's current minimum quantity is 9,335,000 gallons per month. The District must pay for the minimum monthly quantity whether or not the water is used. The District is entitled to revise its minimum monthly quantity no more than three times during the initial year of the contract term, twice during the second year, and once each year thereafter by providing written notice thereof to the Utility Official of the Department of Public Works and Engineering of the City. After the fourth year, any revision resulting in an increase in excess of 10% of the current minimum monthly quantity will not be effective until approved in writing by the Utility Official. The charge for water shall be calculated in accordance with the rates for contract treated water customers that do not receive surface water only. Currently, the rate for the minimum monthly quantity is $4.40 per 1,000 gallons. However, if the District exceeds the minimum monthly quantity, surcharges apply. The rates charged by the City may be amended at any time. The agreement shall expire on the 40th anniversary of the contract date. During the year ended April 30, 2024, the District recorded expenditures of $685,924 related to this contract.

Note 8. Emergency Services Agreements

During the year ended April 30, 2017, the District entered into agreements with Harris County Emergency Services District No. 2 (ESD 2) and Harris County Emergency Services District No. 60 (ESD 60) whereby certain land within the District was de-annexed by ESD 2 and ESD 60. In exchange for the de-annexation, the District agreed to pay ESD 2 and ESD 60 to continue to receive emergency services within the District. The District is required to make payments equal to the taxable value of the District multiplied by the tax rates of ESD 2 and ESD 60, respectively. During the year ended April 30, 2024, the District recorded combined expenditures under these agreements of $688,151.

Note 9. Joint Water Trunkline

The District has entered into a Joint Financing, Construction and Maintenance of Water Trunkline agreement with Harris County Municipal Utility District No. 148 (No. 148), Harris County Municipal Utility District No. 403 (No. 403), Marhaba Partners L.P. (Marhaba) and Elan Development, L.P. (Elan) for the construction and maintenance of a joint water trunkline to serve the districts and property owned by Marhaba. The District constructed Segments A and B of the water trunkline on behalf of No. 148, No. 403 and Marhaba and shared design costs with No. 403 and Marhaba. No. 148 was not responsible for any design costs. The District, No. 403 and Marhaba were responsible for their pro rata share of the construction costs, less $240,310, which was paid by No. 148. The District financed its share of Segment A through the Series 2015 bonds. Any expansion, extension or connection to the facilities will be the sole obligation of the party or parties desiring the expansion, extension or connection.

The City has indicated it plans to take legal title to these facilities upon completion and to maintain and operate the line. However, unless legal title is conveyed to the City, the District will hold legal title to Segment A and B for benefit of the parties. As of April 30, 2024, the facilities have not been conveyed to the City. This project was completed December 7, 2006, at a total cost of, $1,718,840, which has been recorded in the capital assets of the District. The District's pro rata share of the project cost was 70.45% or $1,210,923. The contribution from other parties for their pro rata shares of the project was 29.55%, or $507,917.

Note 10. Leases

On January 17, 2018, the District entered into a 120-month lease agreement for the use of the ground floor restrooms and portions of the service building at 250 Assay Street. The initial term of the lease agreement is for a monthly rental payment of $1,283 beginning in April 1, 2018. The District is also responsible for monthly operation charges which vary from month to month depending on the expenses of the facility. During the year ended April 30, 2024, the District recorded $37,541 in expenditures related to the lease.

In May 2019, the District entered into a 60-month lease agreement to expand the interim wastewater treatment plant to an average daily flow of 375,000 gallons per day, which includes the equipment included in the prior lease agreements. The initial term of the lease agreement is for monthly rental payments of $16,700 per month beginning upon substantial completion of the expansion, which occurred September 1, 2020. After the initial term, the District has the option to extend the lease agreement on a month-to-month basis for monthly rental payments of $15,400. During the year ended April 30, 2024, the District recorded $200,400 in expenditures related to the lease.

Note 11. Joint Facilities

On July 7, 2020, the District executed a Wastewater Treatment Capacity Lease Agreement (the Capacity Lease Agreement) with the City of Houston (the City). The initial term of the Capacity Lease Agreement is from April 1, 2022 to January 1, 2033, with an option for the City to extend such term until January 1, 2038. The Capacity Lease Agreement defines the two-party cost sharing terms and conditions for the financing, construction, operation and use of the joint wastewater treatment plant (Plant).

The District will hold legal title to and be responsible for operating the Plant, which will ultimately be able to treat 540,000 gallons per day of wastewater. The District will construct the expansion of the Plant through funds advanced by the City. Each participant will share the costs associated with future capital costs based on their respective pro rata shares as defined in the Agreement. The transactions for the Plant during the current year are shown below:

	The District	City of Houston	Total
Receivable, beginning of year	$ 26,195	$ 60,393	$ 86,588
Current year billings	419,653	252,868	672,521
Collections	(413,537)	(265,223)	(678,760)
Receivable, end of year	$ 32,311	$ 48,038	$ 80,349

Note 12. Due from Others

During the year ended April 30, 2024, the District entered into a bond purchase agreement with San Jacinto Community College District (SJCCD), whereby the District will purchase up to a maximum of $2,000,000 of revenue bonds from SJCCD. The bonds will be repaid at 0% interest, semi-annually beginning in fiscal 2025 and concluding in fiscal 2034 in equal installments of $100,000. As of April 30, 2024, the District has purchased $250,000 of bonds from SJCCD.

Note 13. Risk Management

The District is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets, errors and omissions; and natural disasters for which the District carried commercial insurance. The District has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts in the past three fiscal years.

Note 14. Commitments

Developers of the District are constructing water, sewer, drainage, road, recreational, parking, conduit and electrical power facilities within the boundaries of the District. The District has agreed to reimburse the developers for a portion of these costs, plus interest, from the proceeds of future bond sales, to the extent approved by the Commission (if applicable). The District's engineer has stated that current construction contract amounts are approximately $32,950,000. This amount has not been recorded in the financial statements since the facilities are not complete or operational.

Note 15. Economic Development Agreement

The District has entered into an Economic Development Agreement (the ED Agreement) pursuant to its Urban Living Initiative Economic Development Program with a property owner in the District. The ED Agreement allows for the reimbursement of a portion of certain real property taxes paid on a specific qualifying project, as defined in the ED Agreement. The limit of reimbursement under the Agreement is $3,765,000. During the year ended April 30, 2024, a reimbursement of $438,239 was made under the Agreement. The term of the ED Agreement is for up to 15 years, or until the maximum reimbursement is reached. As of April 30, 2024, a total of $1,674,547 has been reimbursed pursuant to the ED Agreement.

Note 16. Concentrations

At April 30, 2024, for the January 1, 2023, assessed property tax valuation, one taxpayer owns approximately 33% of the District's total assessed value.

Note 17. Restatement of Prior Year Financial Statements

Beginning net position in the government-wide financial statements has been restated for a correction of an error of $25,903,216, due to some of the paving facilities having been incorrectly included in the District's capital assets, when these facilities were conveyed to another governmental entity for maintenance. This restatement reduced previously reported ending net position in the April 30, 2023, financial statements by $25,903,216 and decreased previously reported change in net position in the April 30, 2023, financial statements by $11,884,479.

Required Supplementary Information

Generation Park Management District
Budgetary Comparison Schedule – General Fund
Year Ended April 30, 2024

	Original Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	$ 7,223,408	$ 7,265,818	$ 42,410
Sales and use taxes	3,230,000	3,980,560	750,560
Water service	1,060,000	1,154,728	94,728
Sewer service	443,000	426,802	(16,198)
Parking service	211,380	179,104	(32,276)
Penalty and interest	18,000	18,997	997
Tap connection and inspection fees	606,000	837,018	231,018
Investment income	561,000	802,329	241,329
Other	80,331	103,797	23,466
Total revenues	13,433,119	14,769,153	1,336,034
Expenditures			
Service operations:			
Purchased services	1,856,457	1,793,728	62,729
Economic development	438,239	438,239	-
Professional fees	853,000	708,527	144,473
Contracted services	761,250	799,285	(38,035)
Utilities	101,575	94,344	7,231
Repairs and maintenance	2,558,050	2,476,520	81,530
Tap connections	321,600	460,624	(139,024)
Other expenditures	180,381	201,740	(21,359)
Capital outlay	388,000	1,021,158	(633,158)
Debt service:			
Debt issuance costs	-	75,000	(75,000)
Lease payments	1,559,704	37,541	1,522,163
Total expenditures	9,018,256	8,106,706	911,550
Excess of Revenues Over Expenditures	4,414,863	6,662,447	2,247,584
Other Financing Uses			
Interfund transfers out	(2,567,486)	(2,327,201)	240,285
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	1,847,377	4,335,246	2,487,869
Fund Balance, Beginning of Year	13,669,889	13,669,889	-
Fund Balance, End of Year	$ 15,517,266	$ 18,005,135	$ 2,487,869

Generation Park Management District
Budgetary Comparison Schedule – Special Revenue Fund
Year Ended April 30, 2024

	Original Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Sewer service	$ 700,250	$ 672,521	$ (27,729)
Investment income	50	93	43
Other income	26,331	25,801	(530)
Total revenues	726,631	698,415	(28,216)
Expenditures			
Service operations:			
Professional fees	13,000	6,339	6,661
Contracted services	75,000	75,006	(6)
Utilities	43,000	45,356	(2,356)
Repairs and maintenance	359,500	327,423	32,077
Other expenditures	35,731	43,891	(8,160)
Debt service, lease payments	200,400	200,400	-
Total expenditures	726,631	698,415	28,216
Excess of Revenues Over Expenditures	-	-	-
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	$ -	$ -	$ -

Budgets and Budgetary Accounting

Annual operating budgets are prepared for the general and special revenue funds by the District's consultants. The budgets reflect resources expected to be received during the year and expenditures expected to be incurred. The Board of Directors is required to adopt the budgets prior to the start of its fiscal year. The budgets are not a spending limitation (a legally restricted appropriation). The original budget of the general fund was not amended and the original budget of the special revenue fund was not amended during fiscal 2024.

The District prepares its annual operating budgets on a basis consistent with accounting principles generally accepted in the United States of America. The Budgetary Comparison Schedule - General Fund and Special Revenue Fund presents the original and revised budget amounts, if revised, compared to the actual amounts of revenues and expenditures for the current year.

Supplementary Information

(Schedules included are checked or explanatory notes provided for omitted schedules.)

[X] Notes Required by the Water District Accounting Manual
See "Notes to Financial Statements," Pages 13-28

[X] Schedule of Services and Rates

[X] Schedule of General Fund Expenditures

[X] Schedule of Temporary Investments

[X] Analysis of Taxes Levied and Receivable

[X] Schedule of Long-Term Debt Service Requirements by Years

[X] Changes in Long-Term Bonded Debt

[X] Comparative Schedule of Revenues and Expenditures – General Fund and Debt Service Fund – Five Years

[X] Board Members, Key Personnel and Consultants

Generation Park Management District
Schedule of Services and Rates
Year Ended April 30, 2024

1. Services provided by the District:

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

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

2. Retail service providers:

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

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate Per 1,000 Gallons Over Minimum	Usage Levels		
Water:	$ 57.87	10,000	N	$ 6.88	10,001	to	20,000
				$ 7.76	20,001	to	No Limit
Wastewater:	$ 30.00	10,000	N	$ 3.50	10,001	to	20,000
				$ 4.00	20,001	to	No Limit

Does the District employ winter averaging for wastewater usage? Yes ___ No X

Total charges per 10,000 gallons usage (including fees): Water $ 57.87 Wastewater $ 30.00

b. Water and wastewater retail connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC*
Unmetered	-	-	x1.0	-
≤ 3/4"	11	10	x1.0	10
1"	7	7	x2.5	18
1 1/2"	8	8	x5.0	40
2"	29	29	x8.0	232
3"	3	3	x15.0	45
4"	5	5	x25.0	125
6"	2	2	x50.0	100
8"	6	6	x80.0	480
10"	5	4	x115.0	460
Total water	76	74		1,510
Total wastewater	36	34	x1.0	34

3. Total water consumption (in thousands) during the fiscal year:

Gallons pumped into the system:	132,567
Gallons billed to customers:	118,809
Water accountability ratio (gallons billed/gallons pumped):	89.62%

*"ESFC" means equivalent single-family connections

Generation Park Management District
Schedule of General Fund Expenditures
Year Ended April 30, 2024

Personnel (including benefits)		$ -
Professional Fees		
Auditing	$ 39,000	
Legal	249,389	
Engineering	420,138	
Financial advisor	-	708,527
Purchased Services for Resale		
Bulk water and wastewater service purchases		1,793,728
Regional Water Fee		-
Contracted Services		
Bookkeeping	131,140	
General manager	48,717	
Appraisal district	-	
Tax collector	-	
Security	258,746	
Other contracted services	360,682	799,285
Utilities		94,344
Repairs and Maintenance		2,476,520
Administrative Expenditures		
Directors' fees	11,808	
Office supplies	6,358	
Insurance	78,270	
Other administrative expenditures	105,304	201,740
Capital Outlay		
Capitalized assets	377,278	
Expenditures not capitalized	643,880	1,021,158
Tap Connection Expenditures		460,624
Lease Expenditures		37,541
Fire Fighting		-
Parks and Recreation		-
Other Expenditures		513,239
Total expenditures		$ 8,106,706

Generation Park Management District
Schedule of Temporary Investments
April 30, 2024

	Interest Rate	Maturity Date	Face Amount	Accrued Interest Receivable
General Fund				
Certificates of Deposit				
No. 91300012154394	5.50%	02/12/25	$ 235,000	$ 2,727
No. 6685904	5.50%	08/20/24	235,000	2,514
No. 9009004779	5.54%	11/13/24	235,000	5,992
No. 6000062841	5.50%	11/09/24	235,000	6,091
Texas CLASS	5.42%	Demand	8,860,231	-
Texas CLASS	5.42%	Demand	5,285,100	-
Texas CLASS	5.42%	Demand	2,446,022	-
Texas CLASS	5.42%	Demand	431,125	-
Texas CLASS	5.42%	Demand	134,494	-
			18,096,972	17,324
Special Revenue Fund				
Texas CLASS	5.42%	Demand	583,199	-
Debt Service Fund				
Texas CLASS	5.42%	Demand	1,798,443	-
Texas CLASS	5.42%	Demand	4,276,773	-
Texas CLASS	5.42%	Demand	2,135,097	-
Texas CLASS	5.42%	Demand	2,112,422	-
			10,322,735	-
Capital Projects Fund				
Texas CLASS	5.42%	Demand	775,546	-
Texas CLASS	5.42%	Demand	319,449	-
Texas CLASS	5.42%	Demand	110,798	-
Texas CLASS	5.42%	Demand	732,180	-
Texas CLASS	5.42%	Demand	2,106,848	-
Texas CLASS	5.42%	Demand	298,649	-
Texas CLASS	5.42%	Demand	169,895	-
Texas CLASS	5.42%	Demand	687,975	-
			5,201,340	-
Totals			$ 34,204,246	$ 17,324

Generation Park Management District
Analysis of Taxes Levied and Receivable
Year Ended April 30, 2024

		Maintenance Taxes	Road Debt Service Taxes	Debt Service Taxes
Receivable, Beginning of Year		$ 178,624	$ 42,779	$ 87,524
Additions and corrections to prior years' taxes		(1,194,298)	(279,674)	(589,055)
Adjusted receivable, beginning of year		(1,015,674)	(236,895)	(501,531)
2023 Original Tax Levy		8,289,628	1,668,691	4,360,129
Additions and corrections		63,438	12,770	33,367
Adjusted tax levy		8,353,066	1,681,461	4,393,496
Total to be accounted for		7,337,392	1,444,566	3,891,965
Tax (collections) repayments:	Current year	(8,302,474)	(1,671,277)	(4,366,886)
	Prior years	1,036,656	242,154	511,725
Receivable, end of year		$ 71,574	$ 15,443	$ 36,804
Receivable, by Years				
2023		$ 50,592	$ 10,184	$ 26,610
2022		4,273	999	2,109
2021		16,631	4,239	8,043
2020		78	21	42
Receivable, end of year		$ 71,574	$ 15,443	$ 36,804

	2023	2022	2021	2020
Property Valuations				
Land	$ 203,132,261	$ 189,709,818	$ 175,349,526	$ 121,156,204
Improvements	671,276,422	470,924,174	455,189,018	397,481,769
Personal property	410,231,111	339,229,704	350,719,416	430,959,702
Exemptions	(199,826,001)	(191,580,758)	(201,406,313)	(169,930,443)
Total property valuations	$ 1,084,813,793	$ 808,282,938	$ 779,851,647	$ 779,667,232
Tax Rates per $100 Valuation				
Debt service tax rates	$ 0.4050	$ 0.3800	$ 0.3700	$ 0.3900
Road debt service tax rates	0.1550	0.1800	0.1950	0.2000
Maintenance tax rates*	0.7700	0.7700	0.7650	0.7400
Total tax rates per $100 valuation	$ 1.3300	$ 1.3300	$ 1.3300	$ 1.3300
Tax Levy	$ 14,428,023	$ 10,750,163	$ 10,372,027	$ 10,369,574
Percent of Taxes Collected to Taxes Levied**	99%	99%	99%	99%

*Maximum tax rate approved by voters: $1.50 on May 10, 2014
**Calculated as taxes collected for a tax year divided by taxes levied for that tax year.

Generation Park Management District
Schedule of Long-Term Debt Service Requirements by Years
April 30, 2024

	Series 2015		
Due During Fiscal Years Ending April 30	**Principal Due September 1**	**Interest Due March 1, September 1**	**Total**
2025	$ 130,000	$ 130,113	$ 260,113
2026	140,000	125,805	265,805
2027	145,000	121,084	266,084
2028	155,000	115,925	270,925
2029	160,000	110,413	270,413
2030	170,000	104,531	274,531
2031	180,000	98,075	278,075
2032	190,000	91,138	281,138
2033	200,000	83,825	283,825
2034	210,000	76,138	286,138
2035	220,000	67,800	287,800
2036	230,000	58,800	288,800
2037	245,000	49,300	294,300
2038	255,000	39,300	294,300
2039	270,000	28,800	298,800
2040	285,000	17,700	302,700
2041	300,000	6,000	306,000
Totals	$ 3,485,000	$ 1,324,747	$ 4,809,747

Generation Park Management District
Schedule of Long-Term Debt Service Requirements by Years
April 30, 2024 **(Continued)**

		Series 2016		
Due During Fiscal Years Ending April 30		**Principal Due September 1**	**Interest Due March 1, September 1**	**Total**
2025		$ 530,000	$ 421,550	$ 951,550
2026		550,000	408,712	958,712
2027		575,000	393,212	968,212
2028		595,000	375,662	970,662
2029		620,000	357,438	977,438
2030		645,000	338,462	983,462
2031		670,000	318,318	988,318
2032		695,000	296,555	991,555
2033		725,000	273,481	998,481
2034		755,000	248,488	1,003,488
2035		785,000	221,537	1,006,537
2036		815,000	193,537	1,008,537
2037		850,000	163,338	1,013,338
2038		880,000	130,900	1,010,900
2039		915,000	96,100	1,011,100
2040		955,000	58,700	1,013,700
2041		990,000	19,800	1,009,800
	Totals	$ 12,550,000	$ 4,315,790	$ 16,865,790

Due During Fiscal Years Ending April 30		Road Series 2016A Principal Due September 1	Road Series 2016A Interest Due March 1, September 1	Road Series 2016A Total
2025		$ 305,000	$ 274,488	$ 579,488
2026		320,000	265,875	585,875
2027		330,000	256,125	586,125
2028		340,000	245,438	585,438
2029		355,000	233,709	588,709
2030		370,000	221,475	591,475
2031		380,000	208,819	588,819
2032		395,000	195,741	590,741
2033		410,000	181,388	591,388
2034		425,000	165,731	590,731
2035		440,000	149,512	589,512
2036		460,000	132,638	592,638
2037		475,000	115,106	590,106
2038		495,000	96,300	591,300
2039		510,000	76,200	586,200
2040		530,000	55,400	585,400
2041		550,000	33,800	583,800
2042		570,000	11,400	581,400
	Totals	$ 7,660,000	$ 2,919,145	$ 10,579,145

Generation Park Management District
Schedule of Long-Term Debt Service Requirements by Years
April 30, 2024 **(Continued)**

Due During Fiscal Years Ending April 30		Series 2016B Principal Due September 1	Series 2016B Interest Due March 1, September 1	Series 2016B Total
2025		$ 265,000	$ 229,945	$ 494,945
2026		275,000	222,719	497,719
2027		285,000	214,805	499,805
2028		295,000	206,247	501,247
2029		310,000	196,979	506,979
2030		320,000	187,135	507,135
2031		335,000	176,901	511,901
2032		350,000	165,716	515,716
2033		360,000	153,646	513,646
2034		375,000	141,151	516,151
2035		390,000	128,146	518,146
2036		405,000	114,175	519,175
2037		420,000	99,222	519,222
2038		440,000	83,635	523,635
2039		455,000	66,788	521,788
2040		475,000	48,653	523,653
2041		495,000	29,738	524,738
2042		515,000	10,042	525,042
	Totals	$ 6,765,000	$ 2,475,643	$ 9,240,643

Generation Park Management District
Schedule of Long-Term Debt Service Requirements by Years
April 30, 2024 **(Continued)**

		Series 2017		
Due During Fiscal Years Ending April 30		**Principal Due September 1**	**Interest Due March 1, September 1**	**Total**
2025		$ 345,000	$ 319,862	$ 664,862
2026		355,000	310,250	665,250
2027		370,000	300,956	670,956
2028		385,000	290,806	675,806
2029		395,000	279,588	674,588
2030		410,000	267,256	677,256
2031		425,000	253,944	678,944
2032		445,000	239,806	684,806
2033		460,000	224,525	684,525
2034		475,000	208,163	683,163
2035		495,000	190,878	685,878
2036		515,000	172,572	687,572
2037		535,000	153,206	688,206
2038		555,000	132,769	687,769
2039		575,000	111,581	686,581
2040		595,000	88,900	683,900
2041		620,000	64,600	684,600
2042		640,000	39,400	679,400
2043		665,000	13,300	678,300
	Totals	$ 9,260,000	$ 3,662,362	$ 12,922,362

Generation Park Management District
Schedule of Long-Term Debt Service Requirements by Years
April 30, 2024 (Continued)

Due During Fiscal Years Ending April 30		Series 2018 Principal Due September 1	Series 2018 Interest Due March 1, September 1	Series 2018 Total
2025		$ 990,000	$ 427,690	$ 1,417,690
2026		1,025,000	389,405	1,414,405
2027		1,065,000	349,695	1,414,695
2028		1,105,000	308,465	1,413,465
2029		1,145,000	265,715	1,410,715
2030		1,190,000	221,350	1,411,350
2031		1,235,000	175,275	1,410,275
2032		1,285,000	127,395	1,412,395
2033		1,330,000	77,710	1,407,710
2034		1,380,000	26,220	1,406,220
	Totals	$ 11,750,000	$ 2,368,920	$ 14,118,920

Generation Park Management District
Schedule of Long-Term Debt Service Requirements by Years
April 30, 2024

(Continued)

Due During Fiscal Years Ending April 30		Series 2019 Principal Due September 1	Interest Due March 1, September 1	Total
2025		$ 260,000	$ 123,606	$ 383,606
2026		255,000	118,456	373,456
2027		240,000	113,506	353,506
2028		235,000	108,756	343,756
2029		230,000	103,962	333,962
2030		225,000	98,987	323,987
2031		215,000	93,634	308,634
2032		205,000	88,122	293,122
2033		200,000	82,807	282,807
2034		195,000	77,622	272,622
2035		190,000	72,569	262,569
2036		190,000	67,582	257,582
2037		180,000	62,613	242,613
2038		185,000	57,594	242,594
2039		185,000	52,275	237,275
2040		185,000	46,725	231,725
2041		185,000	41,175	226,175
2042		305,000	33,825	338,825
2043		315,000	24,525	339,525
2044		325,000	14,925	339,925
2045		335,000	5,025	340,025
	Totals	$ 4,840,000	$ 1,488,291	$ 6,328,291

	Road Series 2020		
Due During Fiscal Years Ending April 30	**Principal Due September 1**	**Interest Due March 1, September 1**	**Total**
2025	$ 515,000	$ 575,237	$ 1,090,237
2026	530,000	549,112	1,079,112
2027	550,000	524,862	1,074,862
2028	575,000	502,362	1,077,362
2029	595,000	478,962	1,073,962
2030	615,000	454,763	1,069,763
2031	640,000	429,663	1,069,663
2032	665,000	403,563	1,068,563
2033	690,000	376,463	1,066,463
2034	715,000	348,363	1,063,363
2035	745,000	319,163	1,064,163
2036	770,000	294,638	1,064,638
2037	805,000	273,944	1,078,944
2038	835,000	251,394	1,086,394
2039	875,000	227,881	1,102,881
2040	910,000	202,200	1,112,200
2041	945,000	174,375	1,119,375
2042	985,000	145,425	1,130,425
2043	1,025,000	115,275	1,140,275
2044	1,065,000	83,925	1,148,925
2045	1,110,000	51,300	1,161,300
2046	1,155,000	17,325	1,172,325
Totals	$ 17,315,000	$ 6,800,195	$ 24,115,195

	Series 2020A		
Due During Fiscal Years Ending April 30	**Principal Due September 1**	**Interest Due March 1, September 1**	**Total**
2025	$ 255,000	$ 178,044	$ 433,044
2026	255,000	166,569	421,569
2027	265,000	154,869	419,869
2028	270,000	144,519	414,519
2029	280,000	137,331	417,331
2030	285,000	131,681	416,681
2031	295,000	125,881	420,881
2032	305,000	119,881	424,881
2033	320,000	113,631	433,631
2034	330,000	107,131	437,131
2035	345,000	100,381	445,381
2036	355,000	93,382	448,382
2037	370,000	86,131	456,131
2038	385,000	78,341	463,341
2039	400,000	70,000	470,000
2040	410,000	61,138	471,138
2041	430,000	51,419	481,419
2042	460,000	40,850	500,850
2043	480,000	29,688	509,688
2044	495,000	18,109	513,109
2045	515,000	6,116	521,116
Totals	$ 7,505,000	$ 2,015,092	$ 9,520,092

Generation Park Management District
Schedule of Long-Term Debt Service Requirements by Years
April 30, 2024 (Continued)

		Series 2021	
Due During Fiscal Years Ending April 30	Principal Due September 1	Interest Due March 1, September 1	Total
2025	$ 460,000	$ 158,661	$ 618,661
2026	480,000	148,340	628,340
2027	495,000	137,634	632,634
2028	515,000	126,544	641,544
2029	530,000	115,071	645,071
2030	550,000	103,212	653,212
2031	570,000	90,914	660,914
2032	590,000	78,178	668,178
2033	610,000	65,001	675,001
2034	630,000	51,387	681,387
2035	650,000	37,332	687,332
2036	675,000	22,783	697,783
2037	700,000	7,686	707,686
Totals	$ 7,455,000	$ 1,142,743	$ 8,597,743

Generation Park Management District
Schedule of Long-Term Debt Service Requirements by Years
April 30, 2024 **(Continued)**

		Series 2022	
Due During Fiscal Years Ending April 30	**Principal Due September 1**	**Interest Due March 1, September 1**	**Total**
2025	$ 150,000	$ 314,712	$ 464,712
2026	155,000	305,562	460,562
2027	165,000	295,962	460,962
2028	175,000	285,762	460,762
2029	180,000	275,112	455,112
2030	190,000	264,012	454,012
2031	200,000	252,312	452,312
2032	210,000	240,012	450,012
2033	220,000	227,112	447,112
2034	230,000	215,912	445,912
2035	245,000	206,412	451,412
2036	255,000	196,253	451,253
2037	270,000	185,425	455,425
2038	280,000	173,906	453,906
2039	295,000	161,687	456,687
2040	310,000	148,637	458,637
2041	325,000	134,544	459,544
2042	340,000	119,582	459,582
2043	360,000	103,832	463,832
2044	375,000	87,294	462,294
2045	395,000	69,722	464,722
2046	415,000	50,991	465,991
2047	435,000	31,334	466,334
2048	460,000	10,638	470,638
Totals	$ 6,635,000	$ 4,356,727	$ 10,991,727

Generation Park Management District
Schedule of Long-Term Debt Service Requirements by Years
April 30, 2024 **(Continued)**

Due During Fiscal Years Ending April 30	Series 2023 Principal Due September 1	Series 2023 Interest Due March 1, September 1	Series 2023 Total
2025	$ 240,000	$ 492,937	$ 732,937
2026	265,000	480,313	745,313
2027	280,000	466,687	746,687
2028	290,000	452,438	742,438
2029	305,000	437,562	742,562
2030	320,000	421,938	741,938
2031	330,000	407,337	737,337
2032	345,000	393,838	738,838
2033	365,000	379,637	744,637
2034	380,000	364,738	744,738
2035	395,000	349,237	744,237
2036	415,000	333,038	748,038
2037	435,000	316,037	751,037
2038	450,000	298,338	748,338
2039	475,000	279,244	754,244
2040	495,000	258,631	753,631
2041	515,000	236,847	751,847
2042	540,000	213,769	753,769
2043	565,000	189,597	754,597
2044	590,000	164,331	754,331
2045	615,000	137,588	752,588
2046	645,000	109,237	754,237
2047	670,000	79,650	749,650
2048	700,000	48,825	748,825
2049	735,000	16,537	751,537
Totals	$ 11,360,000	$ 7,328,331	$ 18,688,331

Due During Fiscal Years Ending April 30	Annual Requirements For All Series: Total Principal Due	Total Interest Due	Total Principal and Interest Due
2025	$ 4,445,000	$ 3,646,845	$ 8,091,845
2026	4,605,000	3,491,118	8,096,118
2027	4,765,000	3,329,397	8,094,397
2028	4,935,000	3,162,924	8,097,924
2029	5,105,000	2,991,842	8,096,842
2030	5,290,000	2,814,802	8,104,802
2031	5,475,000	2,631,073	8,106,073
2032	5,680,000	2,439,945	8,119,945
2033	5,890,000	2,239,226	8,129,226
2034	6,100,000	2,031,044	8,131,044
2035	4,900,000	1,842,967	6,742,967
2036	5,085,000	1,679,398	6,764,398
2037	5,285,000	1,512,008	6,797,008
2038	4,760,000	1,342,477	6,102,477
2039	4,955,000	1,170,556	6,125,556
2040	5,150,000	986,684	6,136,684
2041	5,355,000	792,298	6,147,298
2042	4,355,000	614,293	4,969,293
2043	3,410,000	476,217	3,886,217
2044	2,850,000	368,584	3,218,584
2045	2,970,000	269,751	3,239,751
2046	2,215,000	177,553	2,392,553
2047	1,105,000	110,984	1,215,984
2048	1,160,000	59,463	1,219,463
2049	735,000	16,537	751,537
Totals	$ 106,580,000	$ 40,197,986	$ 146,777,986

Generation Park Management District
Changes in Long-Term Bonded Debt
Year Ended April 30, 2024

	Bond			
	Series 2015	Series 2016	Road Series 2016A	Series 2016B
Interest rates	2.00% to 4.00%	2.00% to 4.00%	2.00% to 4.00%	2.40% to 3.90%
Dates interest payable	March 1/ September 1	March 1/ September 1	March 1/ September 1	March 1/ September 1
Maturity dates	September 1, 2024/2040	September 1, 2024/2040	September 1, 2024/2041	September 1, 2024/2041
Bonds outstanding, beginning of current year	$ 3,610,000	$ 13,060,000	$ 7,955,000	$ 7,020,000
Bonds sold during current year	-	-	-	-
Retirements, principal	125,000	510,000	295,000	255,000
Bonds outstanding, end of current year	$ 3,485,000	$ 12,550,000	$ 7,660,000	$ 6,765,000
Interest paid during current year	$ 134,019	$ 432,612	$ 281,988	$ 236,514

Paying agent's name and address:

Series 2015	- Regions Bank, N.A., Houston, Texas
Series 2016	- Regions Bank, N.A., Houston, Texas
Series 2016A	- Regions Bank, N.A., Houston, Texas
Series 2016B	- Regions Bank, N.A., Houston, Texas
Series 2017	- Regions Bank, N.A., Houston, Texas
Series 2018	- PNC Bank, N.A., Houston, Texas
Series 2019	- Regions Bank, N.A., Houston, Texas
Series 2020	- Regions Bank, N.A., Houston, Texas
Series 2020A	- Regions Bank, N.A., Houston, Texas
Series 2021	- Webster Bank, N.A., Waterbury, Connecticut

Bond authority:	Water, Sewer and Drainage Bonds	Other Bonds	Refunding Bonds
Amount authorized by voters	$ 873,250,000	$ 4,640,198,000	$ 1,581,200,000
Amount issued	$ 62,525,000	$ 35,965,000	$ -
Remaining to be issued	$ 810,725,000	$ 4,604,233,000	$ 1,581,200,000

Debt service fund cash and temporary investment balances as of April 30, 2024:	$ 10,459,324
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 5,871,119

Issues

Series 2017		Series 2018		Series 2019		Road Series 2020		Series 2020A		Series 2021	
2.50% to 4.50%		3.80%		2.00% to 3.00%		2.50% to 5.00%		2.00% to 4.50%		2.196%	
March 1/ September 1		March 1/ September 1		March 1/ September 1		March 1/ September 1		March 1/ September 1		March 1/ September 1	
September 1, 2024/2042		September 1, 2024/2033		September 1, 2024/2044		September 1, 2024/2045		September 1, 2024/2044		September 1, 2024/2036	
$	9,590,000	$	12,700,000	$	5,115,000	$	17,815,000	$	7,745,000	$	7,900,000
	-		-		-		-		-		-
	330,000		950,000		275,000		500,000		240,000		445,000
$	9,260,000	$	11,750,000	$	4,840,000	$	17,315,000	$	7,505,000	$	7,455,000
$	329,987	$	464,550	$	128,956	$	600,613	$	189,181	$	168,598

Generation Park Management District
Changes in Long-Term Bonded Debt
Year Ended April 30, 2024

(Continued)

	Bond Issues (Continued)		
	Series 2022	**Series 2023**	**Totals**
Interest rates	4.00 to 6.00%	4.00 to 5.00%	
Dates interest payable	March 1/ September 1	March 1/ September 1	
Maturity dates	September 1, 2024/2047	September 1, 2024/2048	
Bonds outstanding, beginning of current year	$ 6,750,000	$ -	$ 99,260,000
Bonds sold during current year	-	11,360,000	11,360,000
Retirements, principal	115,000	-	4,040,000
Bonds outstanding, end of current year	$ 6,635,000	$ 11,360,000	$ 106,580,000
Interest paid during current year	$ 322,663	$ 220,364	$ 3,510,045

Paying agent's name and address:

Series 2022 - Regions Bank, N.A., Houston, Texas
Series 2023 - Zions Bancorporation, N.A., Houston, Texas

Generation Park Management District
Comparative Schedule of Revenues and Expenditures – General Fund
Five Years Ended April 30,

	Amounts				
	2024	**2023**	**2022**	**2021**	**2020**
General Fund					
Revenues					
Property taxes	$ 7,265,818	$ 6,041,125	$ 6,210,534	$ 5,745,186	$ 6,570,999
Sales and use taxes	3,980,560	3,307,805	3,102,932	2,588,146	2,122,493
Water service	1,154,728	952,636	891,368	839,246	678,260
Sewer service	426,802	419,642	398,119	322,138	292,261
Parking service	179,104	176,233	140,648	133,925	187,269
Penalty and interest	18,997	49,051	53,643	32,640	35,033
Tap connection and inspection fees	837,018	178,818	40,342	331,433	129,800
Investment income	802,329	581,933	25,085	32,313	193,933
Other income	103,797	63,100	3,837	-	-
Total revenues	14,769,153	11,770,343	10,866,508	10,025,027	10,210,048
Expenditures					
Service operations:					
Purchased services	1,793,728	1,554,096	642,442	1,007,332	1,007,691
Economic development	438,239	413,301	312,159	424,668	-
Professional fees	708,527	662,526	602,098	761,853	758,444
Contracted services	799,285	625,352	438,595	701,943	658,208
Utilities	94,344	74,335	104,042	92,995	87,391
Repairs and maintenance	2,476,520	1,833,620	2,022,595	1,405,341	1,064,533
Tap connections	460,624	114,833	39,546	299,953	107,600
Other expenditures	201,740	169,365	171,779	127,083	143,665
Capital outlay	1,021,158	10,140,528	589,587	1,562,647	3,108,189
Debt service:					
Debt issuance costs	75,000	51,512	9,000	-	-
Lease payments	37,541	49,450	231,699	194,516	136,442
Total expenditures	8,106,706	15,688,918	5,163,542	6,578,331	7,072,163
Excess (Deficiency) of Revenues Over Expenditures	6,662,447	(3,918,575)	5,702,966	3,446,696	3,137,885
Other Financing Sources (Uses)					
Interfund transfers out	(2,327,201)	(2,303,500)	(880,963)	(1,103,434)	(1,880,513)
Contribution from government entity	-	-	-	386,000	-
Total other financing uses	(2,327,201)	(2,303,500)	(880,963)	(717,434)	(1,880,513)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	4,335,246	(6,222,075)	4,822,003	2,729,262	1,257,372
Fund Balance, Beginning of Year	13,669,889	19,891,964	15,069,961	12,340,699	11,083,327
Fund Balance, End of Year	$ 18,005,135	$ 13,669,889	$ 19,891,964	$ 15,069,961	$ 12,340,699
Total Active Retail Water Connections	74	65	63	65	61
Total Active Retail Wastewater Connections	34	31	29	32	35

Percent of Fund Total Revenues				
2024	**2023**	**2022**	**2021**	**2020**
49.2 %	51.3 %	57.3 %	57.4 %	64.5 %
27.0	28.1	28.6	25.9	20.8
7.8	8.1	8.2	8.4	6.7
2.9	3.6	3.7	3.2	2.9
1.2	1.5	1.3	1.3	1.8
0.1	0.4	0.5	0.3	0.3
5.7	1.5	0.2	3.2	1.1
5.4	4.9	0.2	0.3	1.9
0.7	0.6	0.0	-	-
100.0	100.0	100.0	100.0	100.0
12.1	13.2	5.9	10.1	9.9
3.0	3.5	2.9	4.2	-
4.8	5.6	5.6	7.6	7.4
5.4	5.3	4.0	7.0	6.5
0.6	0.6	1.0	0.9	0.9
16.8	15.6	18.6	14.1	10.4
3.1	1.0	0.2	2.8	0.9
1.4	1.4	1.6	1.3	1.3
6.9	86.2	5.4	15.6	30.5
0.5	0.5	0.1	-	-
0.3	0.4	2.1	2.0	1.4
54.9	133.3	47.4	65.6	69.2
45.1 %	(33.3) %	52.6 %	34.4 %	30.8 %

Generation Park Management District
Comparative Schedule of Revenues and Expenditures – Debt Service Fund
Five Years Ended April 30,

	Amounts				
	2024	**2023**	**2022**	**2021**	**2020**
Debt Service Fund					
Revenues					
Property taxes	$ 5,284,284	$ 4,352,162	$ 4,698,490	$ 4,756,733	$ 3,234,960
Penalty and interest	59,127	104,492	53,812	402,681	35,984
Investment income	411,888	224,968	13,501	22,912	108,190
Other income	-	-	40	-	-
Total revenues	5,755,299	4,681,622	4,765,843	5,182,326	3,379,134
Expenditures					
Current:					
Professional fees	14,154	1,242	20,120	5,487	963
Contracted services	115,775	95,776	88,944	103,111	82,919
Other expenditures	88,952	18,565	21,189	10,367	7,520
Debt service:					
Principal retirement	4,040,000	3,375,000	2,570,000	2,190,000	1,290,000
Interest and fees	3,509,944	3,180,311	3,040,515	2,777,491	2,187,276
Total expenditures	7,768,825	6,670,894	5,740,768	5,086,456	3,568,678
Excess (Deficiency) of Revenues Over Expenditures	(2,013,526)	(1,989,272)	(974,925)	95,870	(189,544)
Other Financing Sources					
Interfund transfers in	2,378,713	2,312,500	880,963	1,103,434	2,087,367
Settlement revenue	-	-	-	-	193,000
General obligation bonds issued	-	-	-	637,362	-
Total other financing sources	2,378,713	2,312,500	880,963	1,740,796	2,280,367
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	365,187	323,228	(93,962)	1,836,666	2,090,823
Fund Balance, Beginning of Year	9,400,873	9,077,645	9,171,607	7,334,941	5,244,118
Fund Balance, End of Year	$ 9,766,060	$ 9,400,873	$ 9,077,645	$ 9,171,607	$ 7,334,941

Percent of Fund Total Revenues				
2024	2023	2022	2021	2020
91.8 %	93.0 %	98.6 %	91.8 %	95.7 %
1.0	2.2	1.1	7.8	1.1
7.2	4.8	0.3	0.4	3.2
-	-	0.0	-	-
100.0	100.0	100.0	100.0	100.0
0.3	0.0	0.4	0.1	0.0
2.0	2.1	1.9	2.0	2.5
1.5	0.4	0.4	0.2	0.2
70.2	72.1	53.9	42.3	38.2
61.0	67.9	63.8	53.6	64.7
135.0	142.5	120.4	98.2	105.6
(35.0) %	(42.5) %	(20.4) %	1.8 %	(5.6) %

Complete District mailing address:	Generation Park Management District c/o Schwartz, Page & Harding, L.L.P. 1300 Post Oak Boulevard, Suite 2400 Houston, Texas 77056	
District business telephone number:	713.623.4531	
Submission date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):		June 14, 2022
Limit on fees of office that a director may receive during a fiscal year:		$ 7,200

Board Members	Term of Office Elected & Expires	Fees*	Expense Reimbursements	Title at Year-End
Charles W. Neuhaus	Elected 05/22-05/26	$ 1,847	$ -	President
John R. Deboben, III	Elected 05/22-05/26	2,510	-	Vice President
Davis K. Rushing	Elected 05/22-05/26	2,360	2	Secretary
Brent C. Hodges	Elected 05/20-05/24	2,360	-	Assistant Secretary
Jonathan C. Tauber	Elected 05/20-05/24	2,731	-	Director

*Fees are the amounts actually paid to a director during the District's fiscal year.

Consultants	Date Hired	Fees and Expense Reimbursements	Title
FORVIS, LLP	03/06/15	$ 53,600	Auditor
Harris Central Appraisal District	Legislative Action	106,475	Appraiser
IDS Engineering Group, Inc.	09/23/15	798,237	Engineer
Inframark, LLC	06/10/14	979,099	Operator
Mike Stone Associates, Inc.	11/17/17	451,963	General Manager
Municipal Accounts & Consulting, L.P.	01/31/14	164,570	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	03/10/15	14,154	Delinquent Tax Attorney
Robert W. Baird & Co. Incorporated	02/11/15	200,055	Financial Advisor
Schwartz, Page & Harding, L.L.P.	01/31/14	286,532 287,789	General Counsel/ Bond Counsel
Utility Tax Service, LLC	08/12/14	13,488	Tax Assessor/ Collector
Investment Officers			
Mark M. Burton and Ghia Lewis	02/21/14	-	Bookkeepers

APPENDIX B
Specimen Municipal Bond Insurance Policy

ASSURED GUARANTY MUNICIPAL

MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No: -N

BONDS: $ in aggregate principal amount of

Effective Date:

Premium: $

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

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

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

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

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

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

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

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

ASSURED GUARANTY MUNICIPAL CORP.

By ________________________________
Authorized Officer

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