OFFICIAL STATEMENT DATED FEBRUARY 13, 2025

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

The Bonds are NOT "qualified tax-exempt obligations" for financial institutions. See "TAX MATTERS – NOT Qualified Tax-Exempt Obligations."

NEW ISSUE – Book-Entry-Only **S&P Global Ratings (BAM Insured) ...."AA"**
See "MUNICIPAL BOND INSURANCE" and "RATINGS" herein.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 214

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

$12,570,000	**$1,445,000**
Contract Revenue Bonds	**Contract Revenue Road Bonds**
Series 2025	**Series 2025A**

Dated: March 1, 2025
Interest Accrues from: Date of Delivery **Due: November 1, as shown on the inside cover**

The $12,570,000 Fort Bend County Municipal Utility District No. 214 Contract Revenue Bonds, Series 2025 (the "Series 2025 Contract Revenue Bonds") and the $1,445,000 Fort Bend County Municipal Utility District No. 214 Contract Revenue Road Bonds, Series 2025A (the "Series 2025A Contract Revenue Road Bonds," and together with the Series 2025 Contract Revenue Bonds, the "Bonds") are special obligations of Fort Bend County Municipal Utility District No. 214 (the "Master District") payable solely from and to the extent of payments contractually required of the municipal utility districts (the "Participants") within the Service Area (herein defined) from proceeds of an annual ad valorem tax, without legal limit as to rate or amount, levied by each Participant or from other revenues available to such Participant (the "Contract Payments"). Payment of Contract Payments by Participants and use of such proceeds by the Master District to pay debt service on the Bonds is governed by the Contract for Financing, Operation, and Maintenance of Regional Facilities (the "Master District Contract") as described more fully under "MASTER DISTRICT CONTRACT." The Bonds are special obligations of the Master District payable solely from the Contract Payments and are not obligations of the State of Texas; the City of Fulshear, Texas; Fort Bend County, Texas; any of the Participants (except the Master District); or any entity other than the Master District.

The Bonds are dated March 1, 2025, and mature on November 1 in the years and in the principal amounts shown on the inside cover. Interest on the Bonds accrues from the initial date of delivery (on or about March 13, 2025) (the "Date of Delivery"), at the rates set forth on the inside cover, and is payable November 1, 2025, and each May 1 and November 1 thereafter (the "Interest Payment Date") until the earlier of stated maturity or prior redemption. Principal of the Bonds is payable to the registered owners of the Bonds (the "Registered Owners") at BOKF, NA, Dallas, Texas (the "Paying Agent/Registrar"), upon surrender of the Bonds for payment at the stated maturity or upon prior redemption. Unless otherwise agreed between the Paying Agent/Registrar and a Registered Owner, interest on the Bonds is dated as of the Interest Payment Date and payable to each Registered Owner, as shown on the records of the Paying Agent/Registrar on the close of business on the 15th day of the calendar month next preceding each Interest Payment Date. The Bonds will be issued only in fully registered form in the denomination of $5,000 of principal amount, or any integral multiple thereof.

The Bonds, when issued, will constitute valid and binding obligations of the Master District and will be payable from Contract Payments, as further described herein. See "THE BONDS – Source of Payment."

The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Beneficial owners of the Bonds will not receive physical certificates representing the Bonds, but will receive a credit balance on the books of the nominees of such beneficial owners. So long as Cede & Co. is the registered owner of the Bonds, 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 of the Bonds as discussed under "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 separate municipal bond insurance policies to be issued concurrently with the delivery of the Bonds by **BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM")**.

The Series 2025 Contract Revenue Bonds constitute the second series of contract revenue bonds issued by the Master District from the $373,490,000 principal amount of contract revenue bonds approved by voters of the Master District for the purpose of constructing or acquiring regional water, wastewater, and drainage facilities to serve the Service Area (the "Master District System Facilities"). The Series 2025A Contract Revenue Road Bonds constitute the second series of contract revenue bonds issued by the Master District from the $246,480,000 principal amount of contract revenue bonds approved by voters of the Master District for the purpose of constructing or acquiring a regional road system to serve the Service Area (the "Master District Road Facilities").

INVESTMENT IN THE BONDS IS SUBJECT TO CERTAIN RISK FACTORS AS DISCUSSED UNDER "RISK FACTORS."

The Bonds are offered subject to prior sale, when, as, and if issued by the Master District and accepted by the Initial Purchasers, subject to the approval of the Attorney General of Texas and Allen Boone Humphries Robinson LLP, Houston, Texas, Bond Counsel. Delivery of the Bonds in book-entry form through the facilities of DTC is expected on or about March 13, 2025.

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

$12,570,000 Contract Revenue Bonds, Series 2025

$10,950,000 Serial Bonds

Maturity November 1	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 34683Q (b)	Maturity November 1	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 34683Q (b)
2026	$ 270,000	6.500%	3.100%	CC7	2038 (c)	$ 475,000	4.000%	4.050%	CQ6
2027	285,000	6.500%	3.150%	CD5	2039 (c)	500,000	4.000%	4.100%	CR4
2028	300,000	6.500%	3.250%	CE3	2040 (c)	520,000	4.000%	4.130%	CS2
2029	315,000	6.500%	3.350%	CF0	2041 (c)	545,000	4.000%	4.180%	CT0
2030	330,000	6.500%	3.400%	CG8	2042 (c)	575,000	4.000%	4.230%	CU7
2031	345,000	6.500%	3.450%	CH6	2043 (c)	600,000	4.000%	4.280%	CV5
2032 (c)	360,000	6.500%	3.500%	CJ2	2044 (c)	630,000	4.250%	4.300%	CW3
2033 (c)	375,000	4.000%	3.550%	CK9	2045 (c)	660,000	4.250%	4.400%	CX1
2034 (c)	395,000	4.000%	3.650%	CL7	2046 (c)	690,000	4.250%	4.450%	CY9
2035 (c)	415,000	4.000%	3.750%	CM5	2047 (c)	720,000	4.250%	4.480%	CZ6
2036 (c)	435,000	4.000%	3.800%	CN3	2048 (c)	755,000	4.250%	4.500%	DA0
2037 (c)	455,000	4.000%	4.000%	CP8					

$1,620,000 Term Bond

$1,620,000 Term Bond Due November 1, 2050 (c)(d), Interest Rate: 4.250% (Price: $95.921) (a), CUSIP No. 34683Q DC6 (b)

$1,445,000 Contract Revenue Road Bonds, Series 2025A

$175,000 Serial Bonds

Maturity November 1	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 34683Q (b)	Maturity November 1	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 34683Q (b)
2026	$ 30,000	6.500%	3.200%	DD4	2029	$ 35,000	6.500%	3.300%	DG7
2027	35,000	6.500%	3.200%	DE2	2030	40,000	6.500%	3.350%	DH5
2028	35,000	6.500%	3.250%	DF9					

$1,270,000 Term Bonds

$125,000 Term Bond Due November 1, 2033(c)(d), Interest Rate: 6.125% (Price: $115.734) (a), CUSIP No. 34683Q DL6 (b)

$145,000 Term Bond Due November 1, 2036 (c)(d), Interest Rate: 4.000% (Price: $101.159) (a), CUSIP No. 34683Q DP7 (b)

$160,000 Term Bond Due November 1, 2039 (c)(d), Interest Rate: 4.000% (Price: $98.903) (a), CUSIP No. 34683Q DS1 (b)

$125,000 Term Bond Due November 1, 2041 (c)(d), Interest Rate: 4.125% (Price: $98.515) (a), CUSIP No. 34683Q DU6 (b)

$135,000 Term Bond Due November 1, 2043 (c)(d), Interest Rate: 4.125% (Price: $97.143) (a), CUSIP No. 34683Q DW2 (b)

$145,000 Term Bond Due November 1, 2045 (c)(d), Interest Rate: 4.250% (Price: $97.577) (a), CUSIP No. 34683Q DY8 (b)

$165,000 Term Bond Due November 1, 2047 (c)(d), Interest Rate: 4.250% (Price: $96.744) (a), CUSIP No. 34683Q EA9 (b)

$270,000 Term Bond Due November 1, 2050 (c)(d), Interest Rate: 4.250% (Price: $95.921) (a), CUSIP No. 34683Q ED3 (b)

(a) Information with respect to the initial reoffering yields of the Bonds is the responsibility of the Initial Purchasers. 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 this issue by the 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 November 1, 2032, and thereafter shall be subject to redemption and payment at the option of the Master District, in whole or from time to time in part, on November 1, 2031, or on any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. See "THE BONDS – Redemption of the Bonds – *Optional Redemption*."

(d) Subject to mandatory sinking fund redemption by lot or other customary method of random selection on November 1 in each of the years and in the principal amounts set forth herein under "THE BONDS – Redemption of the Bonds – *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 herein, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Master District or the Initial Purchasers.

All of the summaries of the statutes, resolutions, orders, contracts, audits, and engineering and other related reports set forth herein 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 Bond Counsel upon payment of duplication costs, for further information.

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

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

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

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

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SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the Series 2025 Contract Revenue Bonds, the Master District has accepted the bid resulting in the lowest net effective interest rate to the Master District, which was tendered by RBC Capital Markets, LLC (the "Series 2025 Contract Revenue Bond Initial Purchaser") to purchase the Series 2025 Contract Revenue Bonds bearing the interest rates shown on the inside cover under "MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL REOFFERING YIELDS, AND CUSIPS" at a price of 97.000000% of the par value thereof plus accrued interest to the date of delivery, which resulted in a net effective interest rate of 4.463932%, as calculated pursuant to Chapter 1204 of the Texas Government Code.

After requesting competitive bids for the Series 2025A Contract Revenue Road Bonds, the Master District has accepted the bid resulting in the lowest net effective interest rate to the Master District, which was tendered by SAMCO Capital Markets, Inc. (the "Series 2025A Contract Revenue Road Bond Initial Purchaser," and together with the Series 2025 Contract Revenue Bond Initial Purchaser, the "Initial Purchasers") to purchase the Series 2025A Contract Revenue Road Bonds bearing the interest rates shown on the inside cover under "MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL REOFFERING YIELDS, AND CUSIPS" at a price of 97.000308% of the par value thereof plus accrued interest to the date of delivery, which resulted in a net effective interest rate of 4.515304%, as calculated pursuant to Chapter 1204 of the Texas Government Code.

Prices and Marketability

The Master 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 Master District of a certificate executed and delivered by the Initial Purchasers 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. For this purpose, the term "public" shall not include any person who is a bond house, broker, dealer, or similar person or organization acting in the capacity of underwriter or wholesaler. Otherwise, the Master District has no understanding with the Initial Purchasers regarding the reoffering yields or prices of the Bonds. Information concerning reoffering yields or prices is the responsibility of the Initial Purchasers.

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 Purchasers after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who MAY SELL THE BONDS INTO INVESTMENT ACCOUNTS.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE INITIAL PURCHASERS 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 SEC under the Securities Act of 1933 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 Master District assumes no responsibility for registration or qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be offered, sold, or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds should not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions in such other jurisdiction.

Delivery of Official Statements

The Master District shall furnish to the Initial Purchasers (and to each participating underwriter of the Bonds, within the meaning of the Rule, designated by the Initial Purchaser), within seven (7) business days after the sale date, the aggregate number of Official Statements agreed upon between the Master District and the Initial Purchasers. The Master District also shall furnish to the Initial Purchasers a like number of any supplements or amendments approved and authorized for distribution by the Master District for dissemination to potential underwriters of the Bonds, as well as such additional copies of this Official Statement or any such supplements or amendments as the Initial Purchasers may reasonably request prior to the 90th day after the end of the underwriting period described in the Rule. The Master District shall pay the expense of preparing the number of copies of this Official Statement agreed upon between the Master District and the Initial Purchasers and an equal number of any supplements or amendments issued on or before the delivery date, but the Initial Purchasers shall pay for all other copies of this Official Statement or any supplement or amendment thereto.

MUNICIPAL BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue a separate Municipal Bond Insurance Policy for each series of the Bonds (each a "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 exhibit to this Official Statement.

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

Build America Mutual Assurance Company

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

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

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

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

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of September 30, 2024 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $502.6 million, $246.3 million and $256.3 million, respectively.

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

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

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

Additional Information Available from BAM

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

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

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

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

RATINGS

The Bonds are expected to receive an insured rating of "AA" from S&P solely in reliance upon the issuance of the Policy for each series of the Bonds by BAM 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 Master District has not made an application for an underlying rating on the Bonds. Furthermore, it is not expected that the Master District would have been successful in receiving an underlying investment grade rating on the Bonds.

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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 herein. The summary should not be detached and should be used in conjunction with the more complete information contained herein. A full review should be made of this entire Official Statement and of the documents summarized or discussed herein.

THE BONDS

Issuer .... Fort Bend County Municipal Utility District No. 214 (the "Master District" or, in its capacity as a Participant (herein defined), "FBMUD 214"), a political subdivision of the State of Texas ("Texas"), is located in Fort Bend County, Texas (the "County"). See "THE MASTER DISTRICT."

Issues .... The $12,570,000 Fort Bend County Municipal Utility District No. 214 Contract Revenue Bonds, Series 2025 (the "Series 2025 Contract Revenue Bonds") and the $1,445,000 Fort Bend County Municipal Utility District No. 214 Contract Revenue Road Bonds, Series 2025A (the "Series 2025A Contract Revenue Road Bonds," and together with the Series 2025 Contract Revenue Bonds, the "Bonds") are dated March 1, 2025, and mature on November 1 in each of the years and in the principal amounts shown on the inside cover. Interest on the Bonds accrues from the initial date of delivery (on or about March 13, 2025) (the "Date of Delivery"), at the rates set forth on the inside cover, and is payable November 1, 2025, and each May 1 and November 1 thereafter until the earlier of stated maturity or prior redemption. See "THE BONDS."

Redemption of the Bonds.................... The Bonds maturing on November 1, 2032, and thereafter shall be subject to redemption and payment at the option of the Master District, in whole or from time to time in part, on November 1, 2031, or on any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. See "THE BONDS – Redemption of the Bonds – *Optional Redemption.*"

The Series 2025 Contract Revenue Bonds maturing on November 1, 2026, through November 1, 2048, both inclusive, are serial bonds. The Series 2025A Contract Revenue Road Bonds maturing on November 1, 2026, through November 1, 2030, both inclusive, are serial bonds. The Series 2025 Contract Revenue Bonds maturing on November 1, 2050, and the Series 2025A Contract Revenue Road Bonds maturing on November 1 in the years 2033, 2036, 2039, 2041, 2043, 2045, 2047, and 2050 are term bonds which have mandatory sinking fund redemption provisions set out herein under "THE BONDS – Redemption of the Bonds – *Mandatory Redemption*."

Book-Entry-Only System.................... The Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC"), pursuant to the book-entry-only system discussed herein. Beneficial ownership of the Bonds may be acquired in principal denominations of $5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the beneficial owners of the Bonds. Principal of and interest on the Bonds will be payable by the office of the paying agent/registrar, initially BOKF, NA, Dallas, Texas, to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "THE BONDS – Book-Entry-Only System."

Source of Payment.................... Principal of and interest on the Bonds are payable from and secured by payments required of the Participants (herein defined) within the Service Area (herein defined) from proceeds of an annual ad valorem tax, without legal limit as to rate or amount, levied by each Participant or from other revenues available to such Participant. The Master District has established a debt service fund to pay the principal of and interest on the Contract Revenue System Bonds (herein defined), such as the Series 2025 Contract Revenue Bonds (the "Contract Revenue System Debt Service Fund"). The Master District has also established a debt service fund to pay the principal of and interest on the Contract Revenue Road Bonds (herein defined), such as the Series 2025A Contract Revenue Road Bonds (the "Contract Revenue

Road Debt Service Fund"). Contract Payments by Participants and use of such proceeds by the Master District to pay debt service on the Bonds is governed by the Contract for Financing, Operation, and Maintenance of Regional Facilities (the "Master District Contract") which has been entered into by the Master District and the Participants. By execution of the Master District Contract, each Participant has agreed to pay a pro rata share of the debt service on the Contract Revenue Bonds, including the Bonds, which share is based upon the appraised valuation subject to taxation plus amounts equal to any optional exemption or special appraisal value granted or adopted by a Participant, and any optional exemption or special value claimed by a landowner due to use for agricultural, open space, timberland, or other similar uses (the "Gross Certified Assessed Valuation") of each Participant as a percentage of the Gross Certified Assessed Valuation of all Participants, calculated annually. Each Participant is contractually obligated to make the Contract Payments from the proceeds of an annual ad valorem tax, without legal limit as to rate or amount, levied by such Participant for such purpose on taxable property within its boundaries (the "Contract Tax"), from revenues derived from the operations of such Participant's water distribution and wastewater collection systems, or from any other lawful sources of such Participant's income. No Participant is liable for the payments owed by any other Participant; however, failure of any Participant to make its Contract Payment, as required by the Master District Contract, could result in an increase in the Contract Payment amount paid by each of the Participants during the time that such Participant's payment is delinquent, as the Participants would have to replenish its respective coverage in the Master District debt service fund. The Bonds are special obligations of the Master District and are not obligations of Texas; the County; the City of Fulshear, Texas (the "City"); any of the Participants (except the Master District); or any entity other than the Master District. See "THE BONDS – Source of Payment," "THE BONDS – Unconditional Obligation to Pay," and "MASTER DISTRICT CONTRACT."

Outstanding Bonds .... The District has previously issued the: $6,130,000 Fort Bend County Municipal Utility District No. 214 Contract Revenue Bonds, Series 2024, and $6,585,000 Fort Bend County Municipal Utility District No. 214 Contract Revenue Road Bonds, Series 2024A. At the time of delivery of the Bonds, $12,715,000 principal amount of such previously issued debt will remain outstanding (the "Outstanding Bonds").

Short-Term Debt .... The District issued its $7,700,000 Bond Anticipation Note, Series 2024 (the "BAN"), dated September 19, 2024. The BAN matures on September 18, 2025, and accrues interest at a rate of 4.95% per annum, calculated on the basis of actual days elapsed and a 365-day year. The District will use a portion of the proceeds from the sale of the Series 2025 Contract Revenue Bonds to redeem the BAN prior to its maturity. Proceeds from the BAN were used to reimburse CCW (herein defined) for a portion of the improvements and related costs shown under "THE BONDS – Use and Distribution of Series 2025 Contract Revenue Bond Proceeds." See "THE BONDS – Short-Term Debt."

Use and Distribution of Bond Proceeds .... Proceeds from the sale of the Series 2025 Contract Revenue Bonds will be used to pay off the BAN and reimburse CCW for the costs associated with the construction of the Master District System Facilities (herein defined) shown under "THE BONDS – Use and Distribution of Series 2025 Contract Revenue Bond Proceeds." In addition, proceeds from the sale of the Series 2025 Contract Revenue Bonds will be used to pay developer interest, BAN interest, 12 months of capitalized interest, operating costs, and certain other costs associated with the issuance of the Series 2025 Contract Revenue Bonds. See "THE BONDS – Use and Distribution of Series 2025 Contract Revenue Bond Proceeds."

Proceeds from the sale of the Series 2025A Contract Revenue Road Bonds will be used to reimburse M/I Homes (herein defined) for the costs associated with the construction of the Master District Road Facilities (herein defined) shown under "THE BONDS – Use and Distribution of Series

2025A Contract Revenue Road Bond Proceeds." In addition, proceeds from the sale of the Series 2025A Contract Revenue Road Bonds will be used to pay 12 months of capitalized interest, and certain other costs associated with the issuance of the Series 2025A Contract Revenue Road Bonds. See "THE BONDS – Use and Distribution of Series 2025A Contract Revenue Road Bond Proceeds."

NOT Qualified Tax-Exempt Obligations .... The Bonds are NOT "qualified tax-exempt obligations" for financial institutions.

Municipal Bond Insurance.. Build America Mutual Assurance Company ("BAM"). See "MUNICIPAL BOND INSURANCE."

Ratings .... S&P Global Ratings (BAM Insured): "AA" See "RATINGS."

Payment Record .... The Series 2025 Contract Revenue Bonds represent the Master District's second issuance of contract revenue bonds for the purpose of constructing or acquiring regional water, wastewater, and drainage facilities to serve the Service Area. The Series 2025A represents the Master District's second issuance of contract revenue road bonds for the purpose of constructing or acquiring a regional road system to serve the Service Area. The Master District has never defaulted on the timely payment of principal or interest on its bonded indebtedness.

Contract Revenue Bonds .... The Master District is issuing the Series 2025 Contract Revenue Bonds for the purpose of constructing or acquiring regional water, wastewater, and drainage facilities to serve the Service Area (the "Master District System Facilities") and the Series 2025A Contract Revenue Road Bonds for the purpose of constructing or acquiring a regional road system to serve the Service Area (the "Master District Road Facilities"), and the Master District is expected to issue, in the future, additional contract revenue bonds for the Master District System Facilities and the Master District Road Facilities. Any future contract revenue bonds issued for the purpose of constructing or acquiring the Master District System Facilities, are referred to herein as the "Contract Revenue System Bonds," and any contract revenue bonds issued for the purpose of constructing or acquiring the Master District Road Facilities, are referred to herein as "Contract Revenue Road Bonds." The Master District is also expected to issue, in the future, contract revenue bonds for the purpose of constructing or acquiring the Master District Park Facilities (herein defined) (the "Contract Revenue Park Bonds") authorized pursuant to the Master District Contract. The Contract Revenue System Bonds, the Contract Revenue Road Bonds, and the Contract Revenue Park Bonds are collectively referred to herein as the "Contract Revenue Bonds." See "RISK FACTORS – General," "MASTER DISTRICT DEBT – Tax Rates of the Participants," and "THE BONDS – Authority for Issuance."

Financing Park and Recreational Facilities .... In addition to the improvements to be made through the issuance of the Bonds, and any future Contract Revenue Bonds, and pursuant to the Master District Contract, the Master District owns or will own, construct, and/or acquire regional park and recreational facilities to serve the Service Area (the "Master District Park Facilities"). The Master District may finance the capital costs of the Master District Park Facilities from payments made by each Participant of its pro rata share of the Master District's then estimated capital costs of the Master District Park Facilities (the "Park Construction Charges"). The Park Construction Charges will be computed from time to time on the basis of the then estimated total capital costs of providing the Master District Park Facilities minus the payments which have been previously received from the Participants as Park Construction Charges, and dividing the result by the number of projected total water and sewer connections to be constructed within the Service Area. The Master District Park Facilities may be financed by the Master District through the issuance of Contract Revenue Park Bonds, or the Park Construction Charges, and may be paid by the Participants through the issuance of ad valorem tax bonds issued by the individual Participants.

If Park Construction Charges are received by the Master District, they shall be deposited into a separate fund for the benefit of the Participants (the

"Park Construction Fund") and shall be used solely for the purpose of paying the capital costs of the Master District Park Facilities pursuant to the Master District Contract. See "THE BONDS – Financing Park and Recreational Facilities."

Authority for Issuance .... The Series 2025 Contract Revenue Bonds constitute the second series of contract revenue bonds issued by the Master District from the $373,490,000 principal amount of contract revenue bonds approved by voters of the Master District, and by the voters of each Participant, for the purpose of constructing or acquiring the Master District System Facilities. The Series 2025A Contract Revenue Road Bonds constitute the second series of contract revenue bonds issued by the Master District from the $246,480,000 principal amount of contract revenue bonds approved by voters of the Master District, and by the voters of each Participant, for the purpose of constructing or acquiring the Master District Road Facilities. Any additional Contract Revenue Bonds issued by the Master District will be on parity with the Bonds. Additionally, the voters of the Master District, and by the voters of each Participant, authorized the issuance of $158,808,000 principal amount of contract revenue park bonds for the purpose of constructing or acquiring the Master District Park Facilities.

After the issuance of the Bonds, $354,790,000 principal amount of Contract Revenue System Bonds, $238,450,000 principal amount of Contract Revenue Road Bonds, and $158,808,000 principal amount of Contract Revenue Park Bonds will remain authorized but unissued. The Contract Revenue Bonds are secured by the collection of the Contract Payments through the levy of the Contract Tax.

The Series 2025 Contract Revenue Bonds are issued pursuant to the Master District Contract between the Master District and each of the Participants (as defined below), the terms and conditions of the bond resolution (the "Contract Revenue Bond Resolution") adopted by the Board of Directors of the Master District (the "Board") on the date of sale of the Series 2025 Contract Revenue Bonds, Article XVI, Section 59 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, as amended, an order of the Texas Commission on Environmental Quality (the "TCEQ"), and an election held within the Master District and within each Participant, and the general laws of Texas relating to the issuance of bonds by political subdivisions in Texas.

The Series 2025A Contract Revenue Road Bonds are issued pursuant to the Master District Contract between the Master District and each of the Participants, the terms and conditions of the bond resolution (the "Contract Revenue Road Bond Resolution") adopted by the Board on the date of sale of the Series 2025A Contract Revenue Road Bonds, Article III, Section 52 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, as amended, Chapter 8060 of the Texas Special District Local Laws Code, an election held within the Master District and within each Participant, and the general laws of Texas relating to the issuance of bonds by political subdivisions in Texas. See "THE BONDS – Authority for Issuance," "THE BONDS – Issuance of Additional Debt," "MASTER DISTRICT CONTRACT," and "RISK FACTORS – Future Debt."

Bond Counsel .... Allen Boone Humphries Robinson LLP, Houston, Texas.

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

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

Master District Engineer .... BGE, Inc., Houston, Texas.

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

THE MASTER DISTRICT

Description .... The Master District is a political subdivision of Texas, created by an order of the Texas Natural Resource Conservation Commission, predecessor to the TCEQ, dated February 19, 2002, and operates pursuant to Chapters 49 and

54 of the Texas Water Code, as amended. The Master District was formerly known as Fort Bend-Waller Counties Municipal Utility District No. 1 and was changed to Fort Bend County Municipal Utility District No. 214 by an order of the TCEQ on August 15, 2013. The Master District is located in Fort Bend County approximately 3 miles from the City and 35 miles west from the City of Houston central business district. The Master District is bounded on the west by FM 359 and Woods Road on the east and is located within the extraterritorial jurisdiction of the City and lies wholly within the County. The Master District serves as a provider of regional water, wastewater, drainage, road, and park and recreational facilities to the approximately 1,388.6 acre Service Area. The Service Area is comprised of the Master District, Fort Bend County Municipal Utility District No. 195 ("FBMUD 195") and Fort Bend County Municipal Utility District No. 198 ("FBMUD 198"). FBMUD 214 (as a Participant), FBMUD 195 and FBMUD 198 have entered into the Master District Contract with the Master District and are referred to herein collectively as the "Participants." The Service Area includes the 1,248.80-acre master-planned community known as Cross Creek West ("Cross Creek West"). Cross Creek West is comprised of FBMUD 214, FBMUD 198, and a portion of FBMUD 195. A portion of FBMUD 195 (approximately 139.8 acres) is not a part of Cross Creek West, but is located within the Service Area and is a Participant served by the Master District. See "MASTER DISTRICT CONTRACT" herein.

Status of Development Within the Service Area .... Development within the Service Area has occurred within the boundaries of FBMUD 195 and FBMUD 198. Approximately 274 acres (866 lots) have been developed into the single-family residential subdivision of Cross Creek West, Sections 1-10, within FBMUD 198. Approximately 70 acres (203 lots) have been developed into the single-family residential subdivision of Summerview, Sections 1-3 within FBMUD 195. As of January 9, 2025, 663 homes were complete (611 occupied and 52 unoccupied), 87 homes were under construction, and 319 lots were developed and vacant. The remaining acreage in the Service Area is comprised of approximately 573 undeveloped but developable acres, approximately 411 undevelopable acres, and approximately 16 acres (95 lots) are currently under development as the single-family residential subdivision of Summerview, Section 4 within FBMUD 195, and approximately 29 acres (127 lots) are currently under development as the single family residential subdivision of Cross Creek West, Section 11 within FBMUD 198. An elementary school is under construction on approximately 15 acres owned by Lamar Independent School District within FBMUD 198. The school is exempt from the payment of property taxes.

Description of the Developers/Principal Landowners.. CCR West Inc., a Texas Corporation, ("CCW") is the primary developer of land in the Service Area. CCW was created for the purpose of developing land in Cross Creek West. Fulshear FF Texas Holding LP ("Fulshear FF"), is the entity that was formed for purposes of acquiring and holding tracts of land within the Service Area. CCW is responsible for constructing the improvements to serve Cross Creek West and delivers finished lots to the homebuilders within Cross Creek West. Fulshear FF and CCW are affiliates of Johnson Development Corp. ("JDC"). JDC is a land developer of residential and commercial properties across the country, and, since its establishment in 1975, has been involved in over 100 projects resulting in the development of over 40,000 acres devoted to multiple-use commercial parks; office buildings; retail centers; championship golf courses; and residential communities. In Texas, JDC is responsible for the development of several master-planned communities, including: Cross Creek Ranch; Harvest Green; Jordan Ranch; Riverstone; Imperial; Fall Creek; Tuscan Lakes; Edgewater; Woodforest; Harmony; Grand Central Park Sienna; Veranda; Willow Creek Farms; Trinity Falls; and Viridian.

In addition, M/I Homes of Houston, LLC, ("M/I Homes," and collectively with CCW, the "Developers") a Texas limited liability company and a subsidiary of M/I Homes, Inc., the stock of which is publicly traded on the New York

Stock Exchange under the ticker symbol "MHO", owns approximately 140 acres within FBMUD 195, of which approximately 70 acres has been developed into the subdivision Summerview, and approximately 16 acres are currently under development. M/I Homes is also the homebuilder on such lots. For more information, visit www.mihomes.com. See "DESCRIPTION OF THE DEVELOPERS."

Homebuilders Active Within the Service Area .... Homebuilders active in the Service Area include: Westin Homes; Perry Homes; Highland Homes; Lennar; Newmark; and M/I Homes. Prices of new homes being constructed in Cross Creek West range from the $365,000 to $731,000. Prices of new homes being constructed in Summerview start selling at $275,000.

Master District Facilities .... The Master District, in its capacity as the provider of the Master District System Facilities, the Master District Road Facilities, and the Master District Park Facilities (collectively referred to herein as the "Master District Facilities"), will construct the Master District Facilities and provide services from such facilities. See "RISK FACTORS – Maximum Impact on Contract Tax Rate" and "MASTER DISTRICT FACILITIES."

THE MASTER DISTRICT CONTRACT

Participants.. The Participants have entered into the Master District Contract with the Master District. Each Participant is a municipal utility district organized and operating pursuant to Article XVI, Section 59 and Article III, Section 52 of the Constitution of Texas and Chapters 49 and 54, Texas Water Code, as amended, to provide water, wastewater, drainage, road, and park and recreation services to the area within their boundaries. See "THE PARTICIPANTS."

Operational Revenues .... In addition to obligating each Participant to pay its Contract Payments, the Master District Contract also obligates each Participant to pay monthly charges to the Master District for the operation and maintenance of the water and sewer services facilities. The monthly charges paid by each Participant to the Master District will be used to pay operations and maintenance expenses and to provide an operation and maintenance reserve equivalent to three (3) months of operations and maintenance expenses. The Master District Contract provides that each Participant will establish, maintain, and from time to time adjust its rates, fees, and charges for use of its water distribution and wastewater collection services, or for the availability of such services, to the end that the gross revenues therefrom together with any taxes levied in support thereof and funds received from any other lawful source will be sufficient at all times to pay all operation and maintenance expenses of the Participant's water distribution and wastewater collection systems and its obligation to the Master District under the Master District Contract, including its obligation to pay its Contract Payment. See "MASTER DISTRICT CONTRACT."

RISK FACTORS

THE BONDS ARE SUBJECT TO CERTAIN RISK FACTORS. PROSPECTIVE PURCHASERS SHOULD REVIEW THIS ENTIRE OFFICIAL STATEMENT BEFORE MAKING AN INVESTMENT DECISION, PARTICULARLY "RISK FACTORS."

SELECTED FINANCIAL INFORMATION

(UNAUDITED)

Contract Revenue Bonds of the Master District

2024 Gross Certified Assessed Valuation of the Participants (100% of the market valuation as of January 1, 2024)	$	259,442,877	(a)
Estimated Gross Assessed Valuation of the Participants as of December 1, 2024 (100% of the estimated market valuation as of December 1, 2024)	$	367,286,462	(b)
Direct Debt:			
The Outstanding Bonds (at the time of delivery of the Bonds)	$	12,715,000	
The Series 2025 Contract Revenue Bonds		12,570,000	
The Series 2025A Contract Revenue Road Bonds		1,445,000	
Total Direct Debt	$	26,730,000	
Estimated Overlapping Debt		51,768,329	(c)
Total Direct and Estimated Overlapping Debt	$	78,498,329	
Direct Debt Ratios:			
As a Percentage of the 2024 Gross Certified Assessed Valuation of the Participants ($259,442,877)		10.30 %	
As a Percentage of the Estimated Gross Assessed Valuation of the Participants as of December 1, 2024 ($367,286,462)		7.28 %	
Direct and Estimated Overlapping Debt Ratios:			
As a Percentage of the 2024 Gross Certified Assessed Valuation of the Participants ($259,442,877)		30.26 %	
As a Percentage of the Estimated Gross Assessed Valuation of the Participants as of December 1, 2024 ($367,286,462)		21.37 %	

Master District Debt Service Funds Available as of the Issuance of the Bonds

Contract Revenue System Debt Service Fund Balance (as of January 9, 2025)	$	289,711	(d)(f)(g)
Contract Revenue Road Debt Service Fund Balance (as of January 9, 2025)	$	311,293	(e)(f)(g)
General Fund Balance (as of January 9, 2025)	$	697,680	(h)

(a) Represents the gross assessed valuation of all taxable property located within all Participants as of January 1, 2024, as provided by the Fort Bend Central Appraisal District (the "Appraisal District"). Each Participant's tax roll is certified by the Fort Bend Central Appraisal Review Board (the "Appraisal Review Board"). See "TAX DATA" and "TAXING PROCEDURES."

(b) Provided by the Appraisal District for informational purposes only. This amount is an estimate of the value of all taxable property located within all Participants as of December 1, 2024, and includes the gross estimate of values resulting from the construction of taxable improvements from January 1, 2024, through December 1, 2024. No taxes will be levied against this amount. See "TAX DATA" and "TAXING PROCEDURES."

(c) See "MASTER DISTRICT DEBT – Estimated Direct and Overlapping Debt Statement."

(d) In addition to this amount, twelve (12) months of capitalized interest will be deposited into the Contract Revenue System Debt Service Fund (herein defined) upon closing of the Series 2025 Contract Revenue Bonds. The amount above does not include such amount. Neither Texas law nor the Contract Revenue Bond Resolution requires that the District maintain any particular sum in the Contract Revenue System Debt Service Fund.

(e) In addition to this amount, twelve (12) months of capitalized interest will be deposited into the Contract Revenue Road Debt Service Fund (herein defined) upon closing of the Series 2025A Contract Revenue Road Bonds. The amount above does not include such amount. Neither Texas law nor the Contract Revenue Road Bond Resolution requires that the District maintain any particular sum in the Contract Revenue Road Debt Service Fund.

(f) Funds deposited into the Contract Revenue System Debt Service Fund are not pledged to the Contract Revenue Road Bonds, such as the Series 2025A Contract Revenue Road Bonds, nor are funds deposited into the Contract Revenue Road Debt Service Fund pledged to the Contract Revenue System Bonds, such as the Series 2025 Contract Revenue Bonds.

(g) Each Participant is obligated to pay a pro rata share of debt service on the Contract Revenue Bonds by the dates specified by the Master District. See "THE BONDS – Contract Payments by the Participants," "THE BONDS – Unconditional Obligation to Pay," and "MASTER DISTRICT CONTRACT."

(h) See "RISK FACTORS – Operating Funds."

Debt Service Requirements on the Bonds and the Outstanding Bonds

Average Annual Debt Service Requirement on the Bonds and the Outstanding Bonds (2025-2050)	$	1,732,836 (a)
Maximum Annual Debt Service Requirement on the Bonds and the Outstanding Bonds (2050)	$	1,840,013 (a)
Contract Tax Rate per $100 of Assessed Valuation Required to Pay the Average Annual Debt Service Requirement on the Bonds and the Outstanding Bonds (2025-2050) at 95% Tax Collections:		
Based Upon the 2024 Gross Certified Assessed Valuation of the Participants ($259,442,877)	$	0.71
Based upon the Estimated Gross Assessed Valuation of the Participants as of December 1, 2024 ($367,286,462)	$	0.50
Contract Tax Rate per $100 of Assessed Valuation Required to Pay the Maximum Annual Debt Service Requirement on the Bonds and the Outstanding Bonds (2050) at 95% Tax Collections:		
Based Upon the 2024 Gross Certified Assessed Valuation of the Participants ($259,442,877)	$	0.75
Based upon the Estimated Gross Assessed Valuation of the Participants as of December 1, 2024 ($367,286,462)	$	0.53

(a) Debt service on the Bonds. See “SELECTED FINANCIAL INFORMATION – Debt Service Requirement Schedule.”

Assessed Valuations of the Participants

Participant	2024 Gross Certified Assessed Valuation (a)	Percent of Total	Estimated Gross Assessed Valuation as of December 1, 2024 (b)	Percent of Total
FBMUD 195	$ 52,235,375	20.13%	$ 70,140,171	19.10%
FBMUD 198	195,841,479	75.49%	285,780,268	77.81%
FBMUD 214	11,366,023	4.38%	11,366,023	3.09%
Total	$ 259,442,877	100.00%	$ 367,286,462	100.00%

(a) Represents the gross assessed valuation of all taxable property located within the Participant as of January 1, 2024, as provided by the Appraisal District. The Participant’s tax roll is certified by the Appraisal Review Board. See “TAX DATA” and “TAXING PROCEDURES.”

(b) Provided by the Appraisal District for informational purposes only. This amount is an estimate of the value of all taxable property located within the Participant as of December 1, 2024, and includes the gross estimate of values resulting from the construction of taxable improvements from January 1, 2024, through December 1, 2024. No taxes will be levied against this amount. See “TAX DATA” and “TAXING PROCEDURES.”

Status of Development as of January 9, 2025

District	Total Acreage	Completed Lots	Occupied Completed Homes	Unoccupied Completed Homes	Homes Under Construction	Vacant Developed Lots	Lots Under Development
FBMUD 195 (b)	625.76	203	82	10	38	73	95
FBMUD 198	471.37	866	529	42	49	246	127
FBMUD 214	291.48	–	–	–	–	–	–
Total	1,388.61	1,069	611	52	87	319	224

Estimated Population of the Service Area: 1,071 (a)

(a) Based upon 3.5 average residents per occupied completed home.
(b) Includes 139.8 acres in Summerview, where all development has occurred, and is not located in Cross Creek West.

Selected Tax Data

Participant	2024 Debt Service Tax Rate	2024 Maintenance Tax Rate	2024 Contract Tax Rate (b)	Total 2024 Tax Rate
FBMUD 195	$ 0.000	$ 1.500	$ 0.000	$ 1.500
FBMUD 198	0.470	0.765	0.265	1.500
FBMUD 214 (a)	0.000	0.000	0.000	0.000

(a) FBMUD 214 has not levied a tax rate to date, but may levy a tax rate at a future date.
(b) Until such time as the Participants levy a Contract Tax, Contract Payments will be paid from operating funds advanced by the Developers. See "RISK FACTORS – Dependence on Major Taxpayers and the Developers."

Debt Service Requirement Schedule

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

		The Contract Revenue Bonds			The Contract Revenue Road Bonds			
Year	Total Outstanding Debt Service (a)	Principal	Interest	Total Debt Service	Principal	Interest	Total Debt Service	Total Debt Service
2025	$ 564,625	$ –	$ 361,388	$ 361,388	$ –	$ 42,184	$ 42,184	$ 968,197
2026	844,625	270,000	570,613	840,613	30,000	66,606	96,606	1,781,844
2027	836,425	285,000	553,063	838,063	35,000	64,656	99,656	1,774,144
2028	827,575	300,000	534,538	834,538	35,000	62,381	97,381	1,759,494
2029	828,075	315,000	515,038	830,038	35,000	60,106	95,106	1,753,219
2030	817,275	330,000	494,563	824,563	40,000	57,831	97,831	1,739,669
2031	815,825	345,000	473,113	818,113	40,000	55,231	95,231	1,729,169
2032	808,075	360,000	450,688	810,688	40,000	52,781	92,781	1,711,544
2033	811,869	375,000	427,288	802,288	45,000	50,331	95,331	1,709,488
2034	811,469	395,000	412,288	807,288	45,000	47,575	92,575	1,711,331
2035	810,469	415,000	396,488	811,488	50,000	45,775	95,775	1,717,731
2036	813,869	435,000	379,888	814,888	50,000	43,775	93,775	1,722,531
2037	821,469	455,000	362,488	817,488	50,000	41,775	91,775	1,730,731
2038	823,069	475,000	344,288	819,288	55,000	39,775	94,775	1,737,131
2039	828,869	500,000	325,288	825,288	55,000	37,575	92,575	1,746,731
2040	833,669	520,000	305,288	825,288	60,000	35,375	95,375	1,754,331
2041	832,469	545,000	284,488	829,488	65,000	32,900	97,900	1,759,856
2042	840,469	575,000	262,688	837,688	65,000	30,219	95,219	1,773,375
2043	847,269	600,000	239,688	839,688	70,000	27,538	97,538	1,784,494
2044	847,869	630,000	215,688	845,688	70,000	24,650	94,650	1,788,206
2045	852,469	660,000	188,913	848,913	75,000	21,675	96,675	1,798,056
2046	855,038	690,000	160,863	850,863	80,000	18,488	98,488	1,804,388
2047	861,369	720,000	131,538	851,538	85,000	15,088	100,088	1,812,994
2048	866,256	755,000	100,938	855,938	85,000	11,475	96,475	1,818,669
2049	869,700	790,000	68,850	858,850	90,000	7,863	97,863	1,826,413
2050	875,700	830,000	35,275	865,275	95,000	4,038	99,038	1,840,013
Total	$ 21,445,856	$ 12,570,000	$ 8,595,225	$ 21,165,225	$ 1,445,000	$ 997,665	$ 2,442,665	$ 45,053,747

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

Average Annual Debt Service Requirement
on the Bonds and the Outstanding Bonds (2025-2050) .... $ 1,732,836

Maximum Annual Debt Service Requirement
on the Bonds and the Outstanding Bonds (2050) .... $ 1,840,013

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FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 214

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

\$12,570,000 **Contract Revenue Bonds** **Series 2025**	**\$1,445,000** **Contract Revenue Road Bonds** **Series 2025A**

INTRODUCTION

This Official Statement provides certain information in connection with the issuance by Fort Bend County Municipal Utility District No. 214 (the "Master District" or, in its capacity as a Participant (herein defined), "FBMUD 214") of the \$12,570,000 Fort Bend County Municipal Utility District No. 214 Contract Revenue Bonds, Series 2025 (the "Series 2025 Contract Revenue Bonds") and the \$1,445,000 Fort Bend County Municipal Utility District No. 214 Contract Revenue Road Bonds, Series 2025A (the "Series 2025A Contract Revenue Road Bonds," and together with the Contract Revenue Bonds, the "Bonds").

The Series 2025 Contract Revenue Bonds are issued pursuant to the Master District Contract (herein defined), between the Master District and each Participant, the terms and conditions of the bond resolution (the "Contract Revenue Bond Resolution") adopted by the Board of Directors of the Master District (the "Board") on the date of sale of the Series 2025 Contract Revenue Bonds, Article XVI, Section 59 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, as amended, an order of the Texas Commission on Environmental Quality (the "TCEQ"), an election held within the Master District and within each Participant, and the general laws of the State of Texas ("Texas") relating to the issuance of bonds by political subdivisions in Texas.

The Series 2025A Contract Revenue Road Bonds are issued by the Master District pursuant to the Master District Contract between the Master District and each Participant, the terms and conditions of the bond resolution (the "Contract Revenue Road Bond Resolution," and together with the Contract Revenue Bond Resolution, the "Bond Resolutions") adopted by the Board on the date of sale of the Series 2025A Contract Revenue Road Bonds, Article III, Section 52 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, Chapter 8060 of the Texas Special District Local Laws Code, an election held within the Master District and within each Participant, and the general laws of Texas relating to the issuance of bonds by political subdivisions in Texas.

This Official Statement includes descriptions, among others, of the Bonds, the Bond Resolutions, the Developers (herein defined) and certain other information about the "Participants" (currently, Fort Bend County Municipal Utility District No. 195 ("FBMUD 195"), Fort Bend County Municipal Utility District No. 198 ("FBMUD 198"), and FBMUD 214), certain other information about the Master District, in both its capacity as the Master District and as a Participant, the approximate 1,388.6 acre area (the "Service Area") to be provided with the Master District Facilities (herein defined), and the Contract for the Financing, Operation and Maintenance of Regional Facilities entered into by the Participants and the Master District (the "Master District Contract").

All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from Bond Counsel (herein defined) at 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027, upon payment of the costs of duplication thereof. Certain capitalized terms used herein have the same meanings assigned to such terms in the Bond Resolutions, except as otherwise indicated herein.

RISK FACTORS

General

The Master District is issuing the Series 2025 Contract Revenue Bonds for the purpose of constructing or acquiring regional water, wastewater, and drainage facilities to serve the Service Area (the "Master District System Facilities") and the Series 2025A Contract Revenue Road Bonds for the purpose of constructing or acquiring a regional road system to serve the Service Area (the "Master District Road Facilities"). In addition to the contract revenue bonds issued for the purpose of constructing or acquiring the Master District System Facilities (the "Contract Revenue System Bonds") and the contract revenue bonds issued for the purpose of constructing or acquiring the Master District Road Facilities (the "Contract Revenue Road Bonds"), the Master District is expected to issue, in the future, contract revenue bonds for the purpose of constructing or acquiring the Master District Park Facilities (herein defined) (the "Contract Revenue Park Bonds"). The Contract Revenue System Bonds, the Contract Revenue Road Bonds, and the Contract Revenue Park Bonds are collectively referred to herein as the "Contract Revenue Bonds." The Master District System Facilities, the Master District Road Facilities, and the Master District Park Facilities are collectively referred to herein as the "Master District Facilities." The Bonds are special obligations of the Master District and are not obligations of Texas; Fort Bend County, Texas (the "County"); the City of Fulshear, Texas (the "City"); any of the Participants (except the Master District); or any entity other than the Master District, and are payable solely from the revenues pledged thereto. The Contract Revenue Bonds, including the Bonds, are payable solely from and to the extent of certain contract payments received by the Master District from the Participants pursuant to the Master District Contract, with each Participant's annual contract payment being equal to its pro rata share of annual debt service on the Contract Revenue Bonds, including the Bonds, plus all charges and expenses of paying agents and registrars, and all amounts required to establish and maintain funds, established under the Bond Resolutions based upon the appraised valuation subject to taxation plus amounts equal to any optional exemption or special appraisal value granted or adopted by a Participant, and any optional exemption or special value claimed by a landowner due to use for agricultural, open space, timberland, or other similar uses (the "Gross Certified Assessed Valuation") of each such Participant as a percentage of the total Gross Certified Assessed Valuation of all Participants (the "Contract Payments"). Each Participant is contractually obligated to make the Contract Payments from the proceeds of an annual ad valorem tax, without legal limit as to rate or amount, levied by such Participant for such purpose on taxable property within its boundaries (the "Contract Tax"), from revenues derived from the operations of such Participant's water distribution and wastewater collection systems, or from any other lawful sources of such Participant's income. **The obligations of the Participants to make Contract Payments are several, not joint, obligations prorated among the Participants based upon the proportion of the Gross Certified Assessed Valuation of property within their respective boundaries to the total Gross Certified Assessed Valuation of property within all Participants, as described herein.** No Participant is obligated to pay the Contract Payments allocated to any other Participant; however, lack of payment by any Participant could result in an increase in the Contract Payment amount paid by each of the other Participants during the time that such Participant's payment is delinquent as the Master District may include a reserve amount in the Contract Payment due from each Participant. The security for payment of the principal of and interest on the Bonds by the Master District, therefor, depends on the ability of each Participant to collect annual ad valorem taxes (without legal limit as to rate or amount) levied on taxable property within its boundaries sufficient to make its Contract Payments. The collection by each Participant of delinquent taxes owed to it may be a costly and lengthy process. See "RISK FACTORS – Registered Owners' Remedies and Bankruptcy" and "THE BONDS – Source of Payment."

Overlapping Debt and Tax Rates

The Master District and each Participant may each independently issue additional debt which may change the projected and actual tax rates in the future.

Landowners are or will be responsible for the payment of ad valorem taxes levied by each Participant for payment of Contract Payments. In addition, owners of property located within the Participants are responsible for the payment of ad valorem taxes levied by each Participant for the payment of debt service on unlimited tax bonds issued by each Participant and ad valorem taxes levied by each Participant for the purpose of paying the Participant's operation and maintenance costs. See "APPENDIX A – CERTAIN FINANCIAL INFORMATION REGARDING THE PARTICIPANTS" for information related to each Participant's indebtedness and taxation requirements.

In addition, property located within the Service Area is subject to taxation by various other governmental entities. See "RISK FACTORS – Debt Burden on Property Within the Service Area" and "TAX DATA – Estimated Overlapping Taxes."

Economic Factors and Interest Rates

The rate of development of the Service Area is directly related to the vitality of the residential and commercial industry in the City of Houston, Texas area ("Houston"). New residential construction can be significantly affected by factors such as interest rates, construction costs, and consumer demand. Decreased levels of residential construction activity would restrict the growth of property values within the Service Area. The Master District and Participants cannot predict the pace or magnitude of any future development within the Service Area. See "THE MASTER DISTRICT – Status of Development within the Service Area."

Interest rates and the availability of mortgage and development funding have a direct impact on the construction activity, particularly short-term interest rates at which developers are able to obtain financing for developmental costs. Interest rate levels may affect the ability of a landowner with undeveloped property to undertake and complete construction activities within the Service Area. Because of the numerous and changing factors affecting the availability of funds, the Master District is unable to assess the future availability of such funds for continued construction within the Service Area. In addition, since the Service Area is located approximately 50 miles from the central downtown business district of Houston, the success of development within the Service Area and growth of Service Area taxable property values are, to a great extent, a function of the Houston and regional economies. A downturn in the economic conditions of Houston and the nation could adversely affect development and home-building plans within the Service Area and restrain the growth of the Service Area's property tax base.

Competition

The demand for and construction of single-family homes within the Service Area, which is approximately 50 miles from the central downtown business district of Houston, could be affected by competition from other residential developments including other residential developments located in the southwestern portion of the Houston area. In addition to competition for new home sales from other developments, there are numerous previously owned homes near the Service Area and in more established neighborhoods closer to downtown Houston. Such homes could represent additional competition for new homes proposed to be sold within the Service Area.

The competitive position of the Developers in the sale of developed lots and of prospective builders in the construction of single-family residential houses within the Service Area is affected by most of the factors discussed in this section. Such a competitive position directly affects the growth and maintenance of taxable values within the Service Area. The Master District can give no assurance that building and marketing programs within the Service Area by the Developers will be implemented or, if implemented, will be successful.

Dependence on Major Taxpayers and the Developers

The top 10 principal taxpayers within the Service Area represent $61,894,253, or 23.86%, of the 2024 Gross Certified Assessed Valuation of the Participants, which is $259,442,877, and represents ownership in the Participants' boundaries as of January 1, 2024. Fulshear FF and CCW (each as defined herein) represent a total of $28,546,410 or 11.00%, of such value. M/I Homes (defined herein) represents $11,173,327, or 4.31% of such value. See "TAX DATA – Principal Taxpayers." If the Developers or another principal taxpayer were to default in the payment of taxes in an amount which exceeds the amount in the debt service fund created to pay debt service on bonds issued for the Master District System Facilities (the "Contract Revenue System Debt Service Fund") or the debt service fund created to pay debt services on bonds issued for the Master District Road Facilities (the "Contract Revenue Road Debt Service Fund"), the ability of the Master District to make timely payment of debt service on the Bonds would be dependent on the ability of Participants to enforce and liquidate their tax liens, which is a time-consuming process. Failure to recover or borrow funds in a timely fashion could result in a Participant being forced to set an excessive tax rate, hindering growth and leading to further defaults in the payment of taxes. The Master District is not required by law or the Bond Resolutions to maintain any specified amount of surplus in its Contract Revenue System Debt Service Fund or Contract Revenue Road Debt Service Fund. See "RISK FACTORS – Tax Collection Limitations," "TAXING PROCEDURES – Levy and Collection of Taxes," and "APPENDIX A – CERTAIN FINANCIAL INFORMATION REGARDING THE PARTICIPANTS."

The Developers have informed the Board that their current plans are to develop the remaining undeveloped land and to continue marketing the remaining developed lots in the Participants to homebuilders. However, neither the Developers nor any future developer is obligated to implement development plans on any particular schedule or at all. Thus, the furnishing of information related to any proposed development should not be interpreted as such a commitment. The Master District makes no representation about the probability of development continuing in a timely manner or about the ability of the Developers or any other landowner within the Service Area to implement any plan of development. Furthermore, there is no restriction on any landowner's right to sell land. The Master District can make no prediction as to the effects that current or future economic or governmental circumstances may have on any plans of the Developers or any other landowner. See "DESCRIPTION OF THE DEVELOPERS."

Undeveloped Acreage and Vacant Lots

To date, there are approximately 573 undeveloped but developable acres within the Service Area that have not been provided with water, wastewater, drainage, road, and other facilities necessary for the construction of taxable improvement. In addition, there are 319 vacant developed lots and 224 lots currently under development. The Master District makes no representation as to when or if development of the undeveloped but developable acreage will occur or that the lot sales and building program will be successful. See "THE MASTER DISTRICT – Status of Development Within the Service Area."

Operational Expenses

Each Participant is obligated to pay monthly charges to the Master District for its share of the Master District's operation and maintenance expenses in connection with the Master District's provision of service from the Master District Facilities. The monthly charges to be paid by each Participant to the Master District will be used to pay each Participant's share of operation and maintenance expenses and to provide for an operation and maintenance reserve equivalent to three (3) months of operation and maintenance expenses. Each Participant's share of operation and maintenance expenses and reserve requirements is based upon a "unit cost" of operation and maintenance expense and reserve requirements, calculated by the Master District and expressed in terms of "cost per equivalent single-family residential connection." Each Participant's monthly payment to the Master District for operation and maintenance expenses will be calculated by multiplying the number of equivalent single-family residential connections ("ESFCs") reserved to each Participant on the first day of the previous month by the unit cost per ESFC. The monthly cost per ESFC being charged by the Master District to each Participant presently is $191 for water and wastewater services. See "MASTER DISTRICT FACILITIES."

Operating Funds

The District's general fund balance as of January 9, 2025, is $697,680. Attaining and maintaining a positive Operating Fund balance will depend upon (1) continued development, (2) increased amounts of maintenance tax revenue, (3) funds from bond issues and connection fees from participant Districts. In the event that funds are not made available by the CCW Developer (defined herein), the District will be required to levy a maintenance tax at a rate sufficient (in combination with net revenues from the District's utility operations) to fund its operating expenses. Such a tax, when added to the District's debt service tax, may result in a total District tax in excess of similar developments and could adversely affect continued development of the District, as well as the willingness of taxpayers to pay taxes on their property.

No Reserve Fund

The Bonds will be issued pursuant to the Bond Resolutions wherein the Contract Payments will be pledged to payment of debt service on the Bonds. The Bond Resolutions create the Contract Revenue System Debt Service Fund and the Contract Revenue Road Debt Service Fund but does not create designated reserve funds. Each Participant's pro rata share of the Contract Payments is calculated by the Master District. The Master District's annual calculation of the debt service requirement to be paid by the Participants shall include no more than the sum of next year's annual debt service requirements and, at the option of the Master District, up to 50% of the following year's annual debt service requirements to establish a replenishment amount in the debt service funds, which when paid by the Participants, will be deposited into the respective debt service funds. Delay or failure of any Participant to pay its pro rata share of the debt service requirements may adversely affect payment of the Bonds. There is no trust estate or trust indenture securing the payment of the Bonds and no trustee to enforce a mandamus action on behalf of the Registered Owners (herein defined). Any action in mandamus as a result of a payment or other default under the Bond Resolution would have to be brought by the Registered Owners themselves against the Master District, and such an action would not necessarily operate to enforce rights against other Participants. See "RISK FACTORS – Registered Owners' Remedies and Bankruptcy."

The Master District further covenants that if at any time the fund balance in either the Contract Revenue Road debt Service Fund or the Contract Revenue System Debt Service Fund falls below 25% of the following year's debt service requirement for the respective bonds, it will levy the maximum amount allowed under the Bond Resolutions (100% of the next year's debt service requirement plus 50% of the following year's debt service requirement) until such time that the debt service fund balance in the respective fund exceeds 50% of the next year's debt service requirement. At such time that Fort Bend Central Appraisal District provides a certified value (including a certified estimate of value) of at least $100,000,000 for either FBMUD 195 or FBMUD 214, the Contract Revenue System Debt Service Fund and the Contract Revenue Road Debt Service Fund the 25% coverage required by the foregoing sentence may be reduced to 10%.

Maximum Impact on Contract Tax Rate

Assuming no further development, the value of the land and improvements currently within the Participants will be the major determinant of the ability and willingness of property owners to pay their taxes. The 2024 Gross Certified Assessed Valuation of the Participants is $259,442,877 and the estimated gross assessed valuation of the Participants as of December 1, 2024, is $367,286,462. See "TAX DATA." After issuance of the Bonds, the maximum annual debt service requirement on the Bonds and the Outstanding Bonds will be $1,840,013 (2050) and the average annual debt service requirement on the Bonds and the Outstanding Bonds will be $1,732,836 (2025-2050). Assuming no increase or decrease from the 2024 Gross Certified Assessed Valuation, a Contract Tax rate of $0.75 per $100 of assessed valuation at a 95% collection rate would be necessary to pay the maximum annual debt service requirement on the Bonds and the Outstanding Bonds and a Contract Tax rate of $0.71 per $100 of assessed valuation at a 95% collection rate would be necessary to pay the average annual debt service requirement on the Bonds and the Outstanding Bonds. Assuming no increase or decrease from the estimated gross assessed valuation of the Participants as of December 1, 2024, a Contract Tax rate of $0.53 per $100 of assessed valuation at a 95% collection rate would be necessary to pay the maximum annual debt service requirement on the Bonds and the Outstanding Bonds and a Contract Tax rate of $0.50 per $100 of assessed valuation at a 95% collection rate would be necessary to pay the average annual debt service requirement on the Bonds and the Outstanding Bonds. See "SELECTED FINANCIAL INFORMATION – Debt Service Requirement Schedule," "SELECTED FINANCIAL INFORMATION – Contract Revenue Bonds of the Master District," and "TAX DATA – Tax Rate Calculations."

Debt Burden on Property Within the Service Area

The total tax rate paid by property owners within the Service Area is a major factor in the demand for single-family homes within the Service Area. The Master District Contract requires that the Participants make Contract Payments from the Contract Tax. In addition, other contract tax payments are required of the Participants by the Master District Contract. See "MASTER DISTRICT CONTRACT." Furthermore, each Participant will be required to levy taxes on property within its boundaries (without legal limit as to rate or amount) to pay annual principal and interest on any unlimited tax bonds issued in the future by the Participant to fund internal water, wastewater, drainage, and road facilities within the Participant's boundaries. Each Participant may also levy taxes on property within its boundaries to pay operations and maintenance expenses. For the 2024 tax year, FBMUD 195 and FBMUD 198 have levied a total tax rate of $1.50. FBMUD 214 has not levied a tax rate to date, but may levy a tax rate at a future date.

The tax rate that may be required to service debt on any bonds issued by the Master District or a Participant is subject to numerous uncertainties such as the growth of taxable values within such district, the amount of the bonds issued, regulatory approvals, construction costs and market interest rates. There can be no assurances that composite tax rates imposed by overlapping jurisdictions on property situated in the Service Area will be competitive with the tax rates of competing projects. To the extent that such composite tax rates are not competitive with competing developments, the growth of property tax values in the Service Area and the investment quality or security of the Bonds could be adversely affected.

In addition, the Participants are within the taxing jurisdiction of other taxing entities, including Fort Bend County and Lamar Consolidated Independent School District, as applicable. Each of these entities currently levies various taxes on property within the boundaries, as applicable, of the Participants in addition to the other taxes listed above.

Tax Collection Limitations

The Master District's ability to make debt service payments may be adversely affected by each Participant's inability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by a Participant constitutes a lien in favor of such Participant on a parity with the liens of all other local taxing authorities on the property against which taxes are levied, and such lien may be enforced by foreclosure. A Participant's ability to collect ad valorem taxes through such foreclosure may be impaired by (a) cumbersome, time-consuming and expensive collection procedures, (b) a bankruptcy court's stay of tax collection procedures against a taxpayer, (c) market conditions affecting the marketability of taxable property within the

Participant's boundaries and limiting the proceeds from a foreclosure sale of such property, or (d) the taxpayer's right to redeem the property within six (6) months for commercial property and two (2) years for residential property and all other property after the purchaser's deed issued at the foreclosure is filed in the county records. While the Participant has a lien on taxable property within the Participant's boundaries 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 Participant from a tax foreclosure sale. Finally, any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within the Participant's boundaries pursuant to Federal Bankruptcy Code could stay any attempt by such Participant to collect delinquent ad valorem taxes assessed against such taxpayer. In addition to the automatic stay against collection of delinquent taxes afforded a taxpayer during the pendency of a bankruptcy, a bankruptcy could affect payment of taxes in two (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. See "TAXING PROCEDURES – Participant's Rights in the Event of Tax Delinquencies."

Registered Owners' Remedies and Bankruptcy

There is no trust estate or trust indenture securing the payment of the Bonds and no trustee to enforce a mandamus action on behalf of Registered Owners. There is no reserve fund securing the payment of the Bonds. See "RISK FACTORS – No Reserve Fund."

In the event of default in the payment of principal of or interest on the Bonds, the registered owners of the Bonds (the "Registered Owners" and each a "Registered Owner") have a right to seek a writ of mandamus requiring the Master District to levy adequate taxes each year to make such payments. Except for the mandamus, the Bond Resolutions do not specifically provide for remedies to protect and enforce such interests of the Registered Owners. There is no provision for 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. Although the Registered Owners could obtain a judgment against the Master District, such a judgment could not be enforced by a direct levy and execution against the Master District's property. Further, the Registered Owners themselves cannot foreclose on property within the Service Area or sell property within the Service Area in order to pay the principal of and interest on the Bonds. Since there is no trust indenture or trustee, the Registered Owners would have to initiate and finance the legal process to enforce their remedies. The enforceability of the rights and remedies of the Registered Owners further 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 Master District. In this regard, should the Master District file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the Master District to seek judicial foreclosure of its tax lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge. See "THE BONDS – Registered Owners' Remedies."

Marketability

The Master District has no understanding (other than the initial reoffering yields) with the winning bidder for the Series 2025 Contract Revenue Bonds or the winning bidder for the Series 2025A Contract Revenue Road Bonds (collectively the "Initial Purchasers") regarding the reoffering yields or prices of the Bonds and has no control over the trading of the Bonds in the secondary market. Moreover, there is no assurance that a secondary market will be made for the Bonds. If there is a secondary market, the difference between the bid and asked price of the Bonds may be greater than the bid and asked spread of other bonds generally bought, sold, or traded in the secondary market. See "SALE AND DISTRIBUTION OF THE BONDS."

Future Debt

Pursuant to the Master District Contract and in connection with the development of the Service Area, the Master District may issue Contract Revenue Bonds in an amount necessary to provide the Master District Facilities. The Master District Contract also authorizes the Master District to refund any outstanding Contract Revenue Bonds. Any future Contract Revenue Bonds will be on a parity with the Bonds. The Master District does not employ any formula with respect to appraised valuations, tax collections or otherwise to limit the amount of Contract Revenue Bonds which it may issue. The issuance of additional Contract Revenue Bonds is subject to approval by the TCEQ pursuant to its rules and regarding issuance and feasibility of bonds, except that no TCEQ approval is currently required for the issuance of Contract Revenue Road Bonds to fund road projects. See "RISK FACTORS – Maximum Impact on Contract Tax Rate" and "THE BONDS – Issuance of Additional Debt."

The Master District Contract obligates each Participant to pay a pro rata share of the debt service on the Contract Revenue Bonds based upon the Gross Certified Assessed Valuation of each Participant as a percentage of the Gross Certified Assessed Valuation of all Participants, calculated annually. Each Participant is obligated to make such Contract Payments from the proceeds of an annual ad valorem tax, without legal limit as to rate or amount, levied by such Participant for such purpose on taxable property within its boundaries, or also known as the "Contract Tax," from revenues derived from the operations of such Participant's water distribution and wastewater collection systems, or from any other lawful source of such Participant's income.

Pursuant to the Master District Contract and after the issuance of the Bonds, the Master District will have $354,790,000 principal amount of Contract Revenue System Bonds, $238,450,000 principal amount of Contract Revenue Road Bonds, and $158,808,000 principal amount of Contract Revenue Park Bonds remaining authorized but unissued, and such additional bonds as may hereafter be approved by both the Board and voters of the Participants. See "THE BONDS – Issuance of Additional Debt." The Bonds, and all additional Contract Revenue Bonds issued by the Master District, will be payable from the Contract Tax.

FBMUD 214 and each of the other Participant have voted bonds for purposes of providing internal water, wastewater, drainage, road, and park and recreational facilities within their respective boundaries. See "APPENDIX A – CERTAIN FINANCIAL INFORMATION REGARDING THE PARTICIPANTS" for a description of the voter authorized bonds, principal amount of bonds issued (if any), and principal amount of bonds outstanding for each Participant (if any).

FBMUD 214 and each other Participant is authorized by statute to develop parks and recreational facilities, including the issuance of bonds payable from taxes for such purpose. The principal amount of park bonds sold by the Master District or such other Participant is limited to 1% of the their respective taxable assessed valuation, however, if the Master District or such other Participant meets certain financial feasibility requirements under TCEQ rules, the outstanding principal amount of such bonds issued by the Master District or such other Participant may exceed an amount equal to 1% but not more than 3% of their respective taxable assessed valuation. Before the Master District or such other Participant could issue park bonds payable from taxes, the following actions would be required: (a) approval of the bonds by the TCEQ; and (b) approval of the bonds by the Attorney General of Texas.

In addition to the Contract Revenue System Bonds and the Contract Revenue Road Bonds, the Master District is expected to issue, in the future, Contract Revenue Park Bonds. In addition, the Master District has authorized $158,808,000 principal amount of contract revenue park bonds for the purpose of constructing or acquiring the Master District Park Facilities (the "Contract Revenue Park Bonds").

Continuing Compliance with Certain Covenants

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

Potential Impact of Natural Disaster

The Service Area is located near the Texas Gulf Coast and has been and could again be impacted by high winds, heavy rains, and flooding caused by hurricane, tornado, tropical storm, or other adverse weather events. In the event that a natural disaster should damage or destroy improvements and personal property in the Service Area, the assessed value of such taxable properties could be substantially reduced, resulting in a decrease in the taxable assessed value of the Service Area and an increase in the Participants' tax rates. See "TAXING PROCEDURES – Property Tax Code and County-Wide Appraisal District" and "TAXING PROCEDURES – Valuation of Property for Taxation."

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

Potential Effects of Oil Price Volatility on the Houston Area

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

Environmental Regulations

Wastewater treatment, water supply, storm sewer facilities and construction activities within the Participants 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 Participants. Further, changes in regulations occur frequently, and any changes that result in more stringent and costly requirements could materially impact the Participants.

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

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

The HGB Area is currently designated as a "serious" nonattainment area under the 2015 Ozone Standard, with an attainment deadline of August 3, 2027. 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 Participants, may be required to comply with involve: (1) groundwater well permitting and surface water appropriation; (2) public water supply systems; (3) wastewater discharges from treatment facilities; (4) storm water discharges; and (5) wetlands dredge and fill activities. Each of these is addressed below:

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

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

Texas Pollutant Discharge Elimination System ("TPDES") permits set limits on the type and quantity of discharge, in accordance with state and federal laws and regulations. The TCEQ reissued the TPDES Construction General Permit (TXR150000) ("CGP"), with an effective date of March 5, 2023, which is a general permit authorizing the discharge of stormwater runoff associated with small and large construction sites and certain non-stormwater discharges into surface water in the state. The CGP has a 5-year permit term, and is then subject to renewal. Moreover, the Clean Water Act ("CWA") and Texas Water Code require municipal wastewater treatment plants to meet secondary treatment effluent limitations and more stringent water quality-based limitations and requirements to comply with the Texas water quality standards.

Any water quality-based limitations and requirements with which a municipal utility district must comply may have an impact on the municipal utility district's ability to obtain and maintain compliance with TPDES permits.

The Master District is subject to the TCEQ's General Permit for Phase II (Small) Municipal Separate Storm Sewer Systems (the "MS4 Permit"), which was issued by the TCEQ on August 15, 2024. The MS4 Permit authorizes the discharge of stormwater to surface water in the state from small municipal separate storm sewer systems. Has applied for and received coverage under the MS4 Permit from the TCEQ. In order to maintain compliance with the MS4 Permit, the Master District continues to develop, implement, and maintain the required 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. Costs associated with these compliance activities could be substantial in the future.

Operations of utility districts, including the Participants, 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 Participants must obtain a permit from the United States Army Corps of Engineers ("USACE") if operations of the Participants require that wetlands be filled, dredged, or otherwise altered.

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

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

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 does not pass upon or guarantee the security of the Bonds as an investment, nor does he pass upon the adequacy or accuracy of the information contained herein.

Changes in Tax Legislation

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

2025 Legislative Session

The 89th Regular Legislative Session convened on January 14, 2025 and will conclude on June 2, 2025. The Governor of Texas may call additional special sessions, at the Governor's discretion, each lasting no more than 30 days, and for which the Governor sets the agenda. The Texas Legislature could enact laws that materially change current laws affecting ad valorem tax matters, elections, and other matters which could adversely affect the Participants and also affect the marketability or market value of the Bonds. The Master District can make no representation regarding any actions the Texas Legislature may take or the effect of any such actions. While the enactment of future legislation in Texas could adversely affect the financial condition or operations of the Master District, the Master District does not anticipate that the security for payment of the Bonds, specifically, the Participants' obligation to pay the pro rata share of the Contract Payments, would be adversely affected by any such legislation.

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 Master District unless the bond insurers choose 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 insurers are 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 Master District or the Initial Purchasers have made independent investigation into the claims paying ability of the bond insurer and no assurance or representation regarding the financial strength or projected financial strength of the bond insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the Master District to pay principal of and interest on the Bonds and the claims paying ability of the bond insurer, particularly over the life of the investment. See "MUNICIPAL BOND INSURANCE" and "RATINGS" for further information provided by the bond insurer and the Policy, which includes further instructions for obtaining current financial information concerning the bond insurer.

THE BONDS

General

The following is a description of some of the terms and conditions of the Bonds, which is qualified in its entirety by reference to the Bond Resolutions adopted by the Board. A copy of the Bond Resolutions may be obtained from the Master District upon written request made to Bond Counsel at 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027.

The Bonds are dated March 1, 2025, and will mature on November 1 of the years and in principal amounts, and will bear interest from the initial date of delivery (on or about March 13, 2025) (the "Date of Delivery"), at the rates per annum, set forth on the inside cover. Interest on the Bonds will be payable November 1, 2025, and semiannually thereafter on each May 1 and November 1 until maturity or redemption. Interest calculations are based on a 360-day year comprised of 12 30-day months. The Bonds are subject to redemption as described below.

The Bonds will be issued only in fully registered form in principal denominations of $5,000 for any one (1) maturity and will be initially registered and delivered only to The Depository Trust Company, New York, New York ("DTC") in its nominee name of Cede & Co., pursuant to the Book-Entry-Only System (herein defined). No physical delivery of the Bonds will be made to the owners thereof. Initially, principal of and interest on the Bonds will be payable by BOKF, NA, Dallas, Texas (the "Paying Agent/Registrar"), to Cede & Co., as registered owner. DTC will make distribution of the amounts paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "THE BONDS – Book-Entry-Only System."

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

If the date for payment of the principal of or interest on any Bond is not a business day, then the date for such payment shall be the next succeeding business day without additional interest and with the same force and effect as if made on the specified date for such payment.

Book-Entry-Only System

This section describes how ownership of the Bonds is to be transferred and how principal of, premium, if any, and interest on the Bonds are to be paid to and credited by The Depository Trust Company, New York, New York ("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 Master 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 Master 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 discussed herein. The current rules applicable to DTC are on file with the United States Securities and Exchange Commission (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 maturity of each series of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (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 rating of AA+ from S&P Global Ratings. 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-Only System 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 Master 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 Participant and not of DTC, Paying Agent/Registrar or the Master 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 Master 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 Master 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 Master 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 the Book-Entry-Only System has been obtained from sources that the Master District believes to be reliable, but the Master 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 herein 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-Only 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.

Successor Paying Agent/Registrar

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

The record date ("Record Date") for the interest payable on the Bonds on any interest payment date means the close of business on the 15th calendar day of the month next preceding such interest payment date. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Master District. Notice of the Special Record Date and of the scheduled payment date of the past due interest ("Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each holder of a Bond appearing on the registration books of the Paying Agent/Registrar at the close of business on the last business day preceding the date of mailing of such notice.

Registration, Transfer and Exchange

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

In the event the Book-Entry-Only system is discontinued, the Bonds are transferable only on the bond register kept by the Paying Agent/Registrar upon surrender at the principal payment office of the Paying Agent/Registrar. A Bond may be assigned by the execution of an assignment form on the Bonds or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. At any time after the date of initial delivery, any Bond may be transferred upon its presentation and surrender at the designated offices of the Paying Agent/Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner. The Bonds are exchangeable upon presentation at the designated offices of the Paying Agent/Registrar, for an equal principal amount of Bonds of the same maturity in authorized denominations. To the extent possible, new Bonds issued in exchange or transfer of Bonds will be delivered to the Registered Owner or assignee of the Registered Owner within not more than three (3) business days after the receipt by the Paying Agent/Registrar of the request in proper form to transfer or exchange the Bonds. New Bonds registered and delivered in an exchange or transfer shall be in the denomination of $5,000 in principal amount for a Bond, or any integral multiple thereof for any one (1) maturity and shall bear interest at the same rate and be for a like aggregate principal or maturity amount as the Bond or Bonds surrendered for exchange or transfer. Neither the Paying Agent/Registrar nor the Master District is required to issue, transfer, or exchange any Bond during a period beginning at the opening of business on a Record Date and ending at the close of business on the next succeeding Interest Payment Date or to transfer or exchange any Bond selected for redemption, in whole or in part, beginning 15 calendar days prior to, and ending on the date of the mailing of notice of redemption, or where such redemption is scheduled to occur within 30 calendar days. No service charge will be made for any transfer or exchange, but the Master District or Paying Agent/Registrar may require payment of a sum sufficient to cover any tax or governmental charge payable in connection therewith.

Redemption of the Bonds

Optional Redemption

The Bonds maturing on November 1, 2032, and thereafter shall be subject to redemption and payment at the option of the Master District, in whole or from time to time in part, on November 1, 2031, or on any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. Notice of the exercise of the reserved right of redemption will be given by the Paying Agent/Registrar at least 30 days prior to the redemption date by sending such notice by first class mail to the Registered Owner of each Bond to be redeemed in whole or in part at the address shown on the bond register. If less than all of the Bonds are redeemed at any time, the series and maturities of the Bonds to be redeemed shall be selected by the Master District. If less than all of the Bonds of a certain series and maturity are to be redeemed, the particular Bonds or portions thereof to be redeemed will be selected by the Paying Agent/Registrar prior to the redemption date by such random method as the Paying Agent/Registrar deems fair and appropriate in integral multiples of $5,000 within any one (1) maturity. The Registered Owner of any Bond, all or a portion of which has been called for redemption, shall be required to present such Bond to the Paying Agent/Registrar for payment of the redemption price on the portion of the Bonds so called for redemption and issuance of a new Bond in the principal amount equal to the portion of such Bond not redeemed.

Mandatory Redemption

The Series 2025A Contract Revenue Bonds maturing on November 1, 2050 is a term bond (the "Contract Revenue Term Bond") and shall be redeemed by lot or other customary method of random selection (or by DTC in accordance with its procedures while the Series 2025 Contract Revenue Bonds are in book-entry-only form) prior to maturity, at a price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption (the "Mandatory Redemption Date"), and in the principal amount set forth in the following schedule:

$1,620,000 Contract Revenue Term Bond Maturing on November 1, 2050

Mandatory Redemption Date	Principal Amount
November 1, 2049	$ 790,000
November 1, 2050 (Maturity)	$ 830,000

The Series 2025A Contract Revenue Road Bond maturing on November 1 in each of the years 2033, 2036, 2039, 2041, 2043, 2045, 2047, and 2050 are term bonds (the "Contract Revenue Road Term Bonds," and together with the Contract Revenue Term Bond, the "Term Bonds") and shall be redeemed by lot or other customary method of random selection (or by DTC in accordance with its procedures while the Series 2025A Contract Revenue Road Bonds are in book-entry-only form) prior to maturity, at a price equal to the principal amount thereof, plus accrued interest to the Mandatory Redemption Date, and in the principal amount set forth in the following schedule:

$125,000 Contract Revenue Road Term Bond Maturing on November 1, 2033

Mandatory Redemption Date	Principal Amount
November 1, 2031	$ 40,000
November 1, 2032	$ 40,000
November 1, 2033 (Maturity)	$ 45,000

$145,000 Contract Revenue Road Term Bond Maturing on November 1, 2036

Mandatory Redemption Date	Principal Amount
November 1, 2034	$ 45,000
November 1, 2035	$ 50,000
November 1, 2036 (Maturity)	$ 50,000

$160,000 Contract Revenue Road Term Bond Maturing on November 1, 2039

Mandatory Redemption Date	Principal Amount
November 1, 2037	$ 50,000
November 1, 2038	$ 55,000
November 1, 2039 (Maturity)	$ 55,000

$125,000 Contract Revenue Road Term Bond Maturing on November 1, 2041

Mandatory Redemption Date	Principal Amount
November 1, 2040	$ 60,000
November 1, 2041 (Maturity)	$ 65,000

$135,000 Contract Revenue Road Term Bond Maturing on November 1, 2043

Mandatory Redemption Date	Principal Amount
November 1, 2042	$ 65,000
November 1, 2043 (Maturity)	$ 70,000

$145,000 Contract Revenue Road Term Bond Maturing on November 1, 2045

Mandatory Redemption Date	Principal Amount
November 1, 2044	$ 70,000
November 1, 2045 (Maturity)	$ 75,000

$165,000 Contract Revenue Road Term Bond Maturing on November 1, 2047

Mandatory Redemption Date	Principal Amount
November 1, 2046	$ 80,000
November 1, 2047 (Maturity)	$ 85,000

$270,000 Contract Revenue Road Term Bond Maturing on November 1, 2050

Mandatory Redemption Date	Principal Amount
November 1, 2048	$ 85,000
November 1, 2049	$ 90,000
November 1, 2050 (Maturity)	$ 95,000

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

Mutilated, Lost, Stolen, or Destroyed Bonds

In the event the Book-Entry-Only System should be discontinued, the Master District has agreed to replace mutilated, destroyed, lost, or stolen Bonds upon surrender of the mutilated Bonds, on receipt of satisfactory evidence of such destruction, loss, or theft, and receipt by the Master District and the Paying Agent/Registrar of security or indemnity to hold them harmless. Upon the issuance of a new bond the Master District may require payment of taxes, governmental charges and other expenses (including the fees and expenses of the Registrar), bond printing and legal fees in connection with any such replacement.

Authority for Issuance

The Series 2025 Contract Revenue Bonds constitute the second series of contract revenue bonds issued by the Master District from the $373,490,000 principal amount of contract revenue bonds approved by voters of the Master District, and the voters of each Participant, for the purpose of constructing or acquiring the Master District System Facilities. The Series 2025A Contract Revenue Road Bonds constitute the second series of contract revenue bonds issued by the Master District from the $246,480,000 principal amount of contract revenue bonds approved by voters of the Master District, and the voters of each Participant, for the purpose of constructing or acquiring the Master District Road Facilities. Any additional Contract Revenue Bonds issued by the Master District will be on parity with the Bonds. Additionally, the Master District Contract authorized the issuance of $158,808,000 principal amount of contract revenue park bonds for the purpose of constructing or acquiring the Master District Park Facilities.

After the issuance of the Bonds, $354,790,000 principal amount of Contract Revenue System Bonds, $238,450,000 principal amount of Contract Revenue Road Bonds, and $158,808,000 principal amount of Contract Revenue Park Bonds will remain authorized but unissued. The Contract Revenue Bonds are secured by the collection of the Contract Payments through the levy of the Contract Tax.

The Series 2025 Contract Revenue Bonds are issued pursuant to the Master District Contract between the Master District and each of the Participants (as defined below), the terms and conditions of the Contract Revenue Bond Resolution adopted by the Board on the date of sale of the Series 2025 Contract Revenue Bonds, Article XVI, Section 59 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, as amended, an order of the TCEQ, an election held within the Master District and within each Participant, and the general laws of Texas relating to the issuance of bonds by political subdivisions in Texas.

The Series 2025A Contract Revenue Road Bonds are issued by the Master District pursuant to the Master District Contract between the Master District and each Participant, the terms and conditions of the Contract Revenue Road Bond Resolution adopted by the Board on the date of sale of the Series 2025A Contract Revenue Road Bonds, Article III, Section 52 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, as amended, Chapter 8060 of the Texas Special District Local Laws Code, an election held within the Master District and with each Participant, and the general laws of Texas relating to the issuance of bonds by political subdivisions in Texas.

Before the Bonds can be issued, the Attorney General of Texas must pass upon the legality of certain related matters. The Attorney General of Texas does not guarantee or pass upon the safety of the Bonds as an investment, the sufficiency of the Contract Payments to pay principal of and interest on the Bonds or upon the adequacy of the information contained in this Official Statement.

Source of Payment

The Bonds are payable solely from payments the Participants make to the Paying Agent/Registrar for the purpose of paying the debt service on the Bonds and the Outstanding Bonds pursuant to the requirements of the Master District Contract. The Master District Contract provides that all Participants shall pay a pro rata share of debt service on any Contract Revenue Bonds issued by the Master District, including the Bonds, based upon each Participant's Gross Certified Assessed Valuation as a percentage of the Gross Certified Assessed Valuation of all Participants. The debt service requirements shall be calculated to include the charges and expenses of paying agents and registrars utilized in connection with Contract Revenue Bonds, the principal, interest, and redemption requirements of the Contract Revenue Bonds and all amounts required to establish and maintain funds established under the Bond Resolutions. Each Participant is obligated to pay its pro rata share of the Contract Payments, from the Contract Tax, revenues derived from the operation of its water distribution and wastewater collection systems or from any other legally available funds of such Participant. Each Participant's pro rata share of debt service requirements will be calculated annually by the Master District; however the levy of a Contract Tax for the purpose of paying debt service on the Contract Revenue Bonds is the sole responsibility of each Participant. The Bonds are special obligations of the Master District and are not obligations of Texas; the County; the City; any of the Participants (except the Master District); or any entity other than the Master District.

Payment Record

The Master District has never defaulted in payment of its bonded indebtedness. See "THE BONDS – Source of Payment."

Outstanding Bonds

The District has previously issued the: $6,130,000 Fort Bend County Municipal Utility District No. 214 Contract Revenue Bonds, Series 2024; and $6,585,000 Fort Bend County Municipal Utility District No. 214 Contract Revenue Road Bonds, Series 2024A. At the time of delivery of the Bonds, $12,715,000 principal amount of such previously issued debt will remain outstanding (the "Outstanding Bonds").

Short Term Debt

The Master District issued its $7,700,000 Bond Anticipation Note, Series 2024 (the "BAN"), dated September 19, 2024. The BAN matures on September 18, 2025, and accrues interest at a rate of 4.95% per annum, calculated on the basis of actual days elapsed and a 365-day year. The Master District will use a portion of the proceeds from the sale of the Series 2025 Contract Revenue Bonds to redeem the BAN prior to its maturity. Proceeds from the BAN were used to reimburse CCW (herein defined) for a portion of the improvements and related costs shown under "THE BONDS – Use and Distribution of Series 2025 Contract Revenue Bond Proceeds."

Contract Payments by the Participants

Principal of and interest on the Bonds are payable from and secured by each Participant's unconditional obligation to make Contract Payments. By execution of the Master District Contract, each Participant has agreed to make a Contract Payment in an amount equal to its pro rata share of the annual debt service on the Contract Revenue Bonds plus all the charges and expenses of paying agents and registrars, and all amounts required to establish and maintain funds established under the Bond Resolutions based upon its Gross Certified Assessed Valuation as a percentage of the total Gross Certified Assessed Valuation of all Participants. Each Participant is obligated to make such payments from the proceeds of the Contract Tax levied by such Participant on property within its boundaries for such purpose, revenues, if any derived from the operation of its water distribution and wastewater collection systems or from any other lawful source of funds. See "Source of Payment." No Participant is liable for the payments due by any other Participant. See "MASTER DISTRICT CONTRACT." The Master District shall calculate on or before September 1 of each year, or as soon thereafter as practical, the amount of Contract Payments due from each Participant in the following calendar year.

Unconditional Obligation to Pay

All charges imposed by the Master District to pay debt service on the Bonds will be made by the Participants without set-off, counterclaim, abatement, suspension, or diminution, nor will any Participant have any right to terminate the Master District Contract nor be entitled to the abatement of any such payment or any reduction thereof nor will the obligations of the Participants be otherwise affected for any reason, including without limitation acts or conditions of the Master District that might be considered failure of consideration, eviction or constructive eviction, destruction or damage to the Master District Facilities, failure of the Master District to perform and observe any agreement whether expressed or implied, or any duty, liability, or obligation arising out of or connected with the Master District Contract. All sums required to be paid by the Participants to the Master District for such purposes will continue to be payable in all events and the obligations of the Participants will continue unaffected, unless the requirement to pay is reduced or terminated pursuant to an express provision of the Master District Contract. If any Participant disputes the amount to be paid to the Master District, the Participant shall nonetheless promptly make payments as billed by the Master District and if it is subsequently determined by agreement, arbitration, regulatory decision, or court decision that such disputed payment should have been less, the Master District will then make proper adjustments to all Participants so that the appropriate Participant will receive credit for its over-payments. See "THE MASTER DISTRICT."

Funds

The Contract Revenue System Debt Service Fund is confirmed in the Contract Revenue Bond Resolution and the Contract Revenue Road Debt Service Fund is confirmed in the Contract Revenue Road Bond Resolution, of which the proceeds from the Contract Payments collected for and on account of the Contract Revenue Bonds shall be deposited into the Contract Revenue System Debt Service Fund and the proceeds from the Contract Payments collected for and on account of the Contract Revenue Road Bonds shall be deposited into the Contract Revenue Road Debt Service Fund (which includes each Participant's pro rate share of the respective debt service requirements). Twelve months of capitalized interest will be deposited into each of the Contract Revenue System Debt Service Fund and Contract Revenue Road Debt Service Fund upon closing of the respective series of Bonds. The Bond Resolutions do not provide for segregated reserve funds. The Master District's annual calculation of the debt service requirement to be paid by the Participants shall include no more than the sum of next year's annual debt service requirements and, at the option of the Master District, an amount up to 50% of the following year's annual debt service requirements, which when paid by the Participants, will be deposited into the respective debt service fund.

There is no trust estate or trust indenture securing the payment of the Bonds and no trustee to enforce a mandamus action on behalf of Registered Owners. There is no reserve fund securing the payment of the Bonds. See "RISK FACTORS – Registered Owners' Remedies and Bankruptcy" and "– No Reserve Fund."

The Master District further covenants that if at any time the fund balance in either the Contract Revenue Road Debt Service Fund or the Contract Revenue System Debt Service Fund falls below 25% of the following year's debt service requirement for the respective bonds, it will levy the maximum amount allowed under the Bond Resolutions (100% of the next year's debt service requirement plus 50% of the following year's debt service requirement) until such time that the debt service fund balance in the respective fund exceeds 50% of the next year's debt service requirement. At such time that Fort Bend Central Appraisal District provides a certified value (including a certified estimate of value) of at least $100,000,000 for either FBMUD 195 or FBMUD 214, the Contract Revenue System Debt Service Fund and the Contract Revenue Road Debt Service Fund the 25% coverage required by the foregoing sentence may be reduced to 10%.

Issuance of Additional Debt

Pursuant to the Master District Contract, the Master District is authorized to issue $373,490,000 principal amount of Contract Revenue System Bonds and $246,480,000 principal amount of Contract Revenue Road Bonds. The Master District Contract also authorizes the Master District to refund any outstanding Contract Revenue Bonds. Pursuant to the Master District Contract, approval by each Participant and approval by the voters at an election held by each Participant is required prior to any amendment to the Master District Contract that would increase such authorized amounts. By execution of the Master District Contract between the Master District and each Participant, each Participant is obligated to pay its pro rata share of debt service on the Contract Revenue Bonds issued by the Master District to finance the Master District Facilities, including the Bonds. The Bonds, and all additional Contract Revenue Bonds issued by the Master District, will be payable from the Contract Tax.

In addition, the Master District has authorized $158,808,000 principal amount of Contract Revenue Park Bonds. The Master District Park Facilities may be financed by the Master District through the issuance of contract revenue bonds, or the Park Construction Charges (herein defined) may be paid by the Participants through the issuance of ad valorem tax bonds issued by the individual Participants. See "THE BONDS – Financing Park and Recreational Facilities."

FBMUD 214 and each other Participant is authorized by statute to develop parks and recreational facilities, including the issuance of bonds payable from taxes for such purpose. The principal amount of park bonds sold by the Master District or such other Participant is limited to 1% of the their respective taxable assessed valuation, however, the Master District or such other Participant meets certain financial feasibility requirements under TCEQ rules, the outstanding principal amount of such bonds issued by the Master District or such other Participant may exceed an amount equal to 1% but not more than 3% of their respective taxable assessed valuation. Before the Master District or such other Participant could issue park bonds payable from taxes, the following actions would be required: (a) approval of the bonds by the TCEQ; and (b) approval of the bonds by the Attorney General of Texas.

Pursuant to the Master District Contract and after the issuance of the Bonds, the Master District will have $354,790,000 principal amount of Contract Revenue System Bonds, $238,450,000 principal amount of Contract Revenue Road Bonds and $158,808,000 principal amount of Contract Revenue Park Bonds remaining authorized but unissued. The Master District Contract (except as described above) and the Bond Resolutions impose no limitation on the amount of Contract Revenue Bonds the Master District may issue payable from the Contract Tax. See "RISK FACTORS – Future Debt."

FBMUD 214 and each other Participant may issue unlimited tax bonds for water, wastewater, drainage, road, and park and recreational services, with any required approval of the TCEQ, necessary to provide and maintain improvements and facilities to serve land within their respective boundaries consistent with the purposes for which FBMUD 214 or such other Participant was created. TCEQ approval is not currently required for the Master District or any Participant to issue bonds for the purpose of constructing or acquiring road facilities. See "THE PARTICIPANTS" and "APPENDIX A – CERTAIN FINANCIAL INFORMATION REGARDING THE PARTICIPANTS."

Financing Park and Recreational Facilities

In addition to the improvements to be made through the issuance of the Contract Revenue Bonds and pursuant to the Master District Contract, the Master District owns or will own, construct, and/or acquire the Master District Park Facilities. The Master District may finance the capital costs of the Master District Park Facilities from payments made by each Participant of its pro rata share of the Master District's then estimated capital costs of the Master District Park Facilities (the "Park Construction Charges"). The Park Construction Charges will be computed from time to time on the basis of the then estimated total capital costs of providing the Master District Park Facilities for the Service Area minus the payments which have been previously received from the Participants as Park Construction Charges, and dividing the result by the number of projected total water and sewer connections to be constructed within the Service Area. The Park Construction Charges may be financed through the issuance of ad valorem tax bonds issued by the individual Participants. The Master District Park Facilities may be financed by the Master District through the issuance of contract revenue bonds, or the Park Construction Charges may be paid by the Participants through the issuance of ad valorem tax bonds issued by the individual Participants.

If Park Construction Charges are received by the Master District, they shall be deposited into the Park Construction Fund and shall be used solely for the purpose of paying the capital costs of the Master District Park Facilities pursuant to the Master District Contract.

FBMUD 214 and each other Participant is authorized by statute to develop parks and recreational facilities, including the issuance of bonds payable from taxes for such purpose. The Master District has conducted a park election authorizing issuance of park bonds and has approved a park plan; however, no park bonds have been issued to date. See "THE BONDS – Issuance of Additional Debt."

No Arbitrage

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

Annexation

Under existing Texas law, since the Master District lies wholly in the extraterritorial jurisdiction of the City, the District must conform to a City consent ordinance. Generally, the Master District may be annexed by the City without the Master District's consent, and the City cannot annex territory in the Master District unless it annexes the entire Master District. However, the City may not annex the Master District unless (i) such annexation has been approved by a majority of those voting in an election held for that purpose within the area to be annexed and (ii) if the registered voters in the area to be annexed do not own more than 50% of the land in the area, a petition has been signed by more than 50% of the landowners consenting to the annexation. Notwithstanding the preceding sentence, the described election and petition process does not apply during the term of a strategic partnership agreement ("SPA") between the City and the Master District specifying the procedures for full purpose annexation of all or a portion of the Master District. The Master District does not currently have an SPA with the City.

If the Master District is annexed, the City will assume the Master District's assets and obligations (including the Bonds) and dissolve the Master District. 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 Master District makes no representation that the City will ever annex the District and assume its debt. Moreover, no representation is made concerning the ability of the City to make debt service payments should annexation occur. Pursuant to the DA (defined herein), the Master District and the Participants cannot be annexed until 90% of the land has been developed and the Developers is reimbursed 90% of their costs. See "DEVELOPER AGREEMENT" herein.

Consolidation

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

Defeasance

The Bond Resolutions provide that the Master District may discharge its obligations to the Registered Owners of any or all of the Bonds to pay principal, interest, and the 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 Texas a sum of money equal to principal of, premium, if any, and all interest to accrue on the Bonds to maturity or redemption or (ii) by depositing with any place of payment (paying agent) of the Bonds or other obligations of the Master District payable from revenues or from ad valorem taxes or both, amounts sufficient to provide for the payment and/or redemption of the Bonds; provided that such deposits may be invested and reinvested only in (a) direct non-callable obligations of the United States, (b) non-callable 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 Master 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) non-callable 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 Master District adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and which mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment and/or redemption of the Bonds.

Upon such deposit as described above, such Bonds shall no longer be regarded as outstanding or unpaid. After firm banking and financial arrangements for the discharge and final payment or redemption of the Bonds have been made as described above, all rights of the Master 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 Master District: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption; (ii) gives notice of the reservation of that right to the owners of the Bonds immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

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

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 Master 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 un-matured interest coupons attached to them."

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

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

Registered Owners' Remedies

Pursuant to Texas law, the Bond Resolutions provide that, in the event the Master District defaults in the payment of principal of or interest on any of the Bonds when due, fails to make payments required by the Bond Resolutions into the applicable debt service fund, or defaults in the observance or performance of any of the other covenants, conditions, or obligations set forth in the Bond Resolutions, any Registered Owner shall be entitled to seek a writ of mandamus from a court of competent jurisdiction compelling and requiring the Master District to make such payments or to observe and perform such covenants, obligations, or conditions. Such right is in addition to other rights the Registered Owners may be provided by the laws of Texas.

In the event of default in the payment of principal of or interest on the Bonds, the Registered Owners may seek a writ of mandamus requiring the Participants to levy adequate taxes to make such payments. Except for the remedy of mandamus, the Bond Resolutions do not specifically provide for remedies to a Registered Owner in the event of a Master District default, nor does it provide for the appointment of a trustee 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. Although the Registered Owners could obtain a judgment against the Master District, such a judgment could not be enforced by direct levy and execution against the property within the Service Area. Further, the Registered Owners cannot themselves foreclose on the property within the Service Area or sell property within the Service Area in order to pay principal of or interest on the Bonds. The enforceability of the rights and remedies of the Registered Owners may be further limited by laws and principles relating to sovereign immunity, bankruptcy, reorganization, or other similar laws of general application affecting the rights of creditors of political subdivisions such as the Participants. For example, a Chapter 9 bankruptcy proceeding by a Participant could delay or eliminate payment of principal or interest to the Registered Owners.

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Use and Distribution of Series 2025 Contract Revenue Bond Proceeds

Proceeds from the sale of the Series 2025 Contract Revenue Bonds will be used to pay off the BAN and reimburse CCW for the costs associated with the construction of the Master District System Facilities shown below. In addition, proceeds from the sale of the Series 2025 Contract Revenue Bonds will be used to pay developer interest, BAN interest, 12 months of capitalized interest, operating costs, and certain other costs associated with the issuance of the Series 2025 Contract Revenue Bonds, as shown below.

Non-construction costs are based upon either contract amounts or various cost estimates by the Master District Engineer (herein defined) and the Financial Advisor. The actual amounts to be reimbursed by the Master District and the non-construction costs will be finalized after the sale of the Series 2025 Contract Revenue Bonds and completion of agreed-upon procedures by the Auditor (herein defined). Totals may not sum due to rounding.

CONSTRUCTION COSTS			Total Costs
A.	Developer Contribution Items		
		None	$ –
B.	District Items		
	1.	WP 1 Phase 1	$ 5,016,255
	2.	Fulshear Farms Offsite Drainage Improvements	822,269
	3.	Cross Creek West Detention Channels Phase 1	824,743
	4.	Engineering and Testing (for Item Nos. 1-3)	805,456
	5.	Storm Water Pollution Prevention (for Item Nos. 1-3)	23,178
	6.	Land Acquisition Costs	1,743,656
		Total District Items	9,235,557
		SUBTOTAL CONSTRUCTION COSTS	$ 9,235,557
		LESS SURPLUS FUND APPLIED	($ 325,000)
	TOTAL CONSTRUCTION COSTS		$ 8,910,557

NON-CONSTRUCTION COSTS			
A.	Legal Fees		$ 291,400
B.	Fiscal Agent Fees		251,400
C.	Interest		
	1.	Capitalized Interest (a)	570,613
	2.	Developer Interest	1,295,602
	3.	BAN Interest (a)	182,743
D.	Bond Discount		377,100
E.	Bond Issuance Expenses		43,888
F.	BAN Issuance Expense		176,428
G.	Operating Advances		2,850
H.	Bond Application Report		65,000
I.	Attorney General's Fee (0.10% or $9,500 max)		9,500
J.	TCEQ Bond Issue Fee (0.25%)		31,425
K.	Contingency (a)		361,494
		TOTAL NON-CONSTRUCTION COSTS	$ 3,659,443
		TOTAL BOND ISSUE REQUIREMENT	$ 12,570,000

(a) Contingency represents the difference between the estimated and actual amounts of capitalized interest and BAN interest.

In the instance that approved estimated amounts exceed actual costs, the difference comprises a surplus which may be expended for uses approved by the TCEQ. The Master District Engineer has advised the Master District that proceeds of the sale of the Bonds should be sufficient to reimburse CCW for the costs of the above-described facilities. However, the Master District cannot and does not guarantee the sufficiency of such funds for such purposes.

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Use and Distribution of Series 2025A Contract Revenue Road Bond Proceeds

Proceeds from the sale of the Series 2025A Contract Revenue Road Bonds will be used to reimburse M/I Homes for the costs associated with the construction of the Master District Road Facilities (herein defined) shown below. In addition, proceeds from the sale of the Series 2025A Contract Revenue Road Bonds will be used to pay 12 months of capitalized interest and certain other costs associated with the issuance of the Series 2025A Contract Revenue Road Bonds, as shown below.

Non-construction costs are based upon either contract amounts or various cost estimates by the Master District Engineer and the Financial Advisor. The actual amounts to be reimbursed by the Master District and the non-construction costs will be finalized after the sale of the Series 2025A Contract Revenue Road Bonds and completion of agreed-upon procedures by the Auditor. Totals may not sum due to rounding.

CONSTRUCTION COSTS	Total Costs
A. George Gordon Road Reinforced Concrete Paving	
1. Construction	$ 1,050,405
2. Engineering	105,630
3. Material Testing	9,014
B. Traffic Impact Analysis	29,993
TOTAL CONSTRUCTION COSTS	$ 1,195,042
NON-CONSTRUCTION COSTS	
A. Legal Fees	$ 43,350
B. Fiscal Agent Fees	28,900
C. Interest	
1. Capitalized Interest (a)	66,606
D. Bond Discount (a)	43,345
E. Bond Issuance Expenses	39,276
F. General's Fee (0.10%)	1,445
G. Bond Engineering Report Cost	25,000
H. Contingency (a)	2,036
TOTAL NON-CONSTRUCTION COSTS	$ 249,958
TOTAL BOND ISSUE REQUIREMENT	$ 1,445,000

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

The Master District Engineer has advised the Master District that the proceeds of the sale of the Series 2025A Contract Revenue Road Bonds should be sufficient to reimburse M/I Homes for the costs of the above-described facilities. In the instance that approved estimated amounts exceed the actual costs, the difference comprises a surplus which may be expended for approved uses; however, the Master District cannot and does not guarantee the sufficiency of such funds for such purposes.

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THE PARTICIPANTS

Creation, Authority, and Description

All Participants operate as municipal utility districts pursuant to Chapter 49 and Chapter 54 of the Texas Water Code, as amended, and are located within the Service Area. To serve the property within their boundaries, the Participants have the powers to construct, acquire, operate, maintain, and finance water, wastewater, drainage, road, and park and recreational facilities. The Participants were created by orders of the TCEQ. The Participants are empowered to exercise all the powers and functions which will permit accomplishment of the purposes for which they were created.

Authorized Bonds and Debt Service Tax

The Participants have the statutory authority to issue unlimited tax bonds for the purpose of providing internal water distribution, wastewater collection, storm drainage, road, and park and recreational facilities to the land within their boundaries. Such bonds are secured by a direct continuing annual ad valorem tax adequate to provide funds to pay the principal of and interest on such bonds. Such tax is in addition to the Contract Tax. See "THE PARTICIPANTS – Contract Taxes."

FBMUD 214 and each of the other Participants have voted bonds for purposes of providing internal water, wastewater, drainage, road, and park and recreational facilities within their respective boundaries.

See "APPENDIX A – CERTAIN FINANCIAL INFORMATION REGARDING THE PARTICIPANTS" for a description of the voter authorized bonds, principal amount of bonds issued (if any) and principal amount of bonds outstanding for each Participant (if any).

Operations

Each Participant has or will construct internal water, wastewater, and drainage facilities, and may also construct internal road and park and recreational facilities, within its respective boundaries. Pursuant to the Master District Contract, each Participant is required to purchase potable water from the Master District and sell such water to its customers, and collect domestic wastewater from its customers, which the Master District provides for the treatment and discharge of the wastewater. See "MASTER DISTRICT FACILITIES – Water Supply" and "MASTER DISTRICT FACILITIES – Wastewater Treatment." Each Participant sets its own retail rates for water distribution and wastewater collection services, and is required by the Master District Contract to do so at a level which will produce sufficient revenue to pay operating and maintenance charges of the Master District, to pay other costs of operating and maintaining its own System (herein defined), and, together with tax revenues, to pay its Contract Payments. The Master District does not expect that revenues from Participants' retail charges will ever be sufficient to pay a significant portion of Contract Payments for application to debt service on the Contract Revenue Bonds, including the Bonds.

Contract Taxes

The Master District has the authority to issue Contract Revenue Bonds, including the Bonds. Each Participant's pro rata share of the debt service requirements on the Contract Revenue Bonds shall be determined by dividing each Participant's Gross Certified Assessed Valuation by the total of all Participants' Gross Certified Assessed Valuation, calculated annually. Calculation of Contract Payments, is based upon the Gross Certified Assessed Valuation and does not make allowances for any exemptions granted by the Participant's however, allowances are made for exemptions provided under State law that do not require action by the Participants. See "TAXING PROCEDURES." The Master District Contract obligates each Participant to pay its pro rata share of debt service requirements on the Contract Revenue Bonds from the proceeds of annual Contract Taxes without legal limit as to rate or amount, from revenues derived from the operation of its water distribution and wastewater collection systems, or from any other legally available funds. The Master District does not expect that revenues from the Participants' wastewater collection and water distribution systems will ever be sufficient to pay a significant portion of the Contract Payments for application to debt service on the Contract Revenue Bonds, including the Bonds. The debt service requirement shall include principal, interest, and redemption requirements on the Contract Revenue Bonds, paying agent/registrar fees, and all amounts necessary to establish and maintain funds established under a bond resolution.

Maintenance and Operations Tax

The Participants have the authority to levy and collect an annual ad valorem tax for the operation and maintenance of facilities. A maintenance and operations tax is in addition to taxes which the Participant is authorized to levy for paying principal of and interest on its unlimited tax bonds and the Contract Tax. See "THE PARTICIPANTS – Contract Taxes."

Consolidation

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

Management

Each Participant is governed by a board of directors, consisting of five (5) members, which has control and management of all affairs of such Participant. Directors of each Participant are elected by the voters within that Participant to serve four (4)-year staggered terms. All such directors reside or own property within the Participant on whose board they serve. None of the Participants have any employees. Each Participant contracts for all services required to maintain its operations. The TCEQ exercises continuing supervisory jurisdiction over each Participant, and, in addition, operation of each Participant's water, wastewater, and drainage facilities is subject to regulation by other agencies.

Financial Data

See "APPENDIX A – CERTAIN FINANCIAL INFORMATION REGARDING THE PARTICIPANTS" for financial information for each Participant.

THE MASTER DISTRICT

Management of the Master District

The Master District is governed by the Board, consisting of five (5) directors, who have control over and management supervision of all affairs of the Master District. None of the present members of the Board reside within the Master District; however, they each own parcels of land within the Master District, subject to a note and a deed of trust. The directors serve four (4)-year staggered terms. Elections are held in even numbered years in May. The current members and officers of the Board are listed below:

Name	Title	Term Expires May
Roshell Arterburn	President	2028
John Mahon	Vice President	2028
Paul Cornett	Secretary	2026
Kimberly Koehn	Assistant Secretary	2026
Lindsey Upton	Assistant Vice President	2026

Consultants

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

Tax Assessor/Collector: The Master District's tax assessor/collector is Assessments of the Southwest, Inc., Houston, Texas (the "Tax Assessor/Collector"). The Tax Assessor/Collector applies the Master District's tax levy to tax rolls prepared by the Appraisal District and bills and collects such levy.

Bookkeeper: The Master District's bookkeeper is Myrtle Cruz, Inc., Houston, Texas.

Utility System Operator: The Master District's water and sewer system is operated by Si Environmental, LLC, Houston, Texas.

Auditor: As required by the Texas Water Code, the Master District retains an independent auditor to audit the Master District's financial statements annually, which audit reports are filed with the TCEQ. The Master District's financial statements for the fiscal year ended September 30, 2024, were audited by McGrath & Co., PLLC, Houston, Texas (the "Auditor") and are attached as "APPENDIX B."

Engineer: The consulting engineer for the Master District in connection with the design and construction of the facilities for which a portion of the Bonds are being sold to reimburse the Developers is BGE, Inc., Houston, Texas (the "Engineer"). BGE, Inc., Houston, Texas, has also been engaged by the Developers in connection with certain planning and design activities within the Master District.

General and Bond Counsel: The Master District has engaged Allen Boone Humphries Robinson LLP, Houston, Texas, as bond counsel ("Bond Counsel") in connection with the issuance of the Bonds. The fees to be paid Bond Counsel in connection with the issuance of the Bonds are contingent upon the issuance and delivery of the Bonds. Allen Boone Humphries Robinson LLP, Houston, Texas, also serves as general counsel to the Master District on matters other than the issuance of bonds. See "LEGAL MATTERS."

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

Financial Advisor: Robert W. Baird & Co. Incorporated, Houston, Texas, is employed as financial advisor (the "Financial Advisor") to the Master District in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. The Financial Advisor is not obligated to undertake and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information herein.

The Service Area

The Service Area contains approximately 1,388.61 acres, including a total of approximately 291 acres in the Master District. This approximate 1,388.61 acres are comprised of the land within the FBMUD 214, FBMUD 195 and FBMUD 198. The Participants (FBMUD 195, FBMUD 198 and FBMUD 214) have entered into the Master District Contract with the Master District. Pursuant to the Master District Contract, the Master District is obligated to provide the Master District Facilities to serve the land in the Service Area. The Service Area is located in the County, approximately 35 miles from the central business district of Houston. The Service Area lies within the Lamar Consolidated Independent School District and is located entirely within the ETJ of the City.

Status of Development Within the Service Area

Development within the Service Area has occurred within the boundaries of FBMUD 195 and FBMUD 198. Approximately 274 acres (866 lots) have been developed into the single-family residential subdivision of Cross Creek West, Sections 1-10, within FBMUD 198. Approximately 70 acres (203 lots) have been developed into the single-family residential subdivision of Summerview, Sections 1-3 within FBMUD 195. As of January 9, 2025, 663 homes were complete (611 occupied and 52 unoccupied), 87 homes were under construction, and 319 lots were developed and vacant. The remaining acreage in the Service Area is comprised of approximately 573 undeveloped but developable acres, approximately 411 undevelopable acres, and approximately 16 acres (95 lots) are currently under development as the single-family residential subdivision of Summerview, Section 4 within FBMUD 195, and approximately 29 acres (127 lots) are currently under development as the single family residential subdivision of Cross Creek West, Section 11 within FBMUD 198. An elementary school is under construction on approximately 15 acres owned by Lamar Independent School District within FBMUD 198. The school is exempt from the payment of property taxes.

Homebuilders Active Within the Service Area

Homebuilders active in the Service Area include: Westin Homes; Perry Homes; Highland Homes; Lennar; Newmark; and M/I Homes. Prices of new homes being constructed in the Cross Creek West (defined herein) range from the $365,000 to $731,000. Prices of new homes being constructed in the Summerview start selling at $275,000.

MASTER DISTRICT CONTRACT

Each Participant has executed the Master District Contract and each Participant obtained the approval of the Master District Contract from the voters of the Participant at an election held within its boundaries. The Master District Contract dictates and defines what comprises Master District Facilities, the financing and construction of the Master District Facilities, and the operation and maintenance of the Master District Facilities that serve the Service Area.

The Master District System Facilities are defined, described, and displayed under the Master District Contract to mean the (i) Master District Water System, including the water plant, mains and trunk facilities to serve the Service Area, save and except internal facilities that only serve one municipal utility district in the Service Area; (ii) Master District Sanitary Sewage Collection System, including a permanent wastewater treatment plant, trunk or main sanitary sewer lines, manholes, intercepting sewers, lift stations to serve the Service Area, save and except internal facilities that only serve one municipal utility district in the Service Area; and (iii) Master District Storm Sewer System, including all or any part of the drainage facilities for the collection of storm water such as manholes, drainage trunk lines, detention and retention ponds, outfall drainage channels and ditches, save and except internal facilities that only serve one municipal utility district in the Service Area. The Master District Contract authorizes the Master District to issue Contract Revenue System Bonds to acquire, construct, and maintain the Master District System Facilities in an aggregate amount not to exceed $373,490,000.

The Master District Road Facilities are defined, described, and displayed under the Master District Contract to mean the major thoroughfares and roadway related facilities in and of such thoroughfares that serve the Service Area. The Master District Contract authorizes the Master District to issue Contract Revenue Road Bonds to acquire, construct and maintain the Master District Road Facilities in an aggregate amount not to exceed $246,480,000.

The Master District Park Facilities are defined, described, and displayed under the Master District Contract to mean the park, recreational and landscaping facilities to design, acquire, construct, lease, equip, modernize, repair, improve or complete Master District park facilities or any enlargements, expansions, repairs, upgrades or modifications thereto in the Service Area. The Master District Park Facilities also include any regional park fees required by the City of Fulshear under the DA.

The Master District Contract provides two options for the Participants to finance the Master District Park Facilities. First, the Master District may issue Contract Revenue Park Bonds and the aggregate amount of the Contract Revenue Park Bonds may not exceed $158,808,000. Alternatively, the Master District may levy a Park Construction Charge, as defined under the Master District Contract, and the Participants could issue park bonds and remit the Park Construction Charge to the Master District. The Master District Contract provides that the Master District will compute the Park Construction Charge on the basis of the then estimated total capital costs of providing the Master District Park Facilities for all of the Service Area minus the Park Construction Charges which have previously paid to the Master District (at this time the amount is $0), and dividing the result by the number of estimated total connections to be constructed within the Service Area minus the number of connections for which Park Construction Charges have been previously paid to the Master District. Upon approval of the Master District Park Facilities by the Commission, the Master District will reimburse the developer for the Master District Park Facilities or use the Park Construction Charge to construct new Master District Park Facilities.

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

By execution of the Master District Contract, each of the Participants has agreed to make the Contract Payments in an amount equal to its annual pro rata share of debt service on the Contract Revenue Bonds, plus all charges and expenses of paying agents and registrars based upon the gross certified assessed valuation of each such Participant as a percentage of the total gross certified assessed valuation of all Participants. Participants are obligated to pay their pro rata share from the proceeds of an annual unlimited ad valorem tax levied for such purpose or from any other lawful source of funds.

Each Participant is obligated severally, but not jointly, to make Contract Payments to the Master District. No Participant is obligated, contingently or otherwise, to make any Contract Payments owned by any other Participant; however, lack of payment, as required by the Master District Contract, by any Participant could result in an increase in the Contract Payment amount paid by each of the other Participants during the time that such Participants' payment is delinquent.

The Master District Contract also requires each Participant to make annual contract payments ("Water/Sewer/Drainage Contract Payment") in an amount equal to its pro rata share of annual debt service on the Master District's outstanding and future contract revenue bonds issued for the purpose of constructing or acquiring Master District System Facilities for the purpose of paying the debt service payments on such bonds ("Contract Revenue System Bonds") plus all charges and expenses of paying agents and registrars and all amounts required to establish and maintain certain funds based upon the gross certified assessed valuation of each such Participant as a percentage of the total gross certified assessed valuation of all Participants. Moreover, the Master District Contract requires each Participant to make annual contract payments for Master District Road Facilities ("Road Contract Payments"). Participants are obligated to pay Water/Sewer/Drainage Contract Payments and Road Contract Payments to the Master District from the proceeds of an annual unlimited ad valorem tax levied for such purpose or from any other lawful source of funds.

Water/Sewer/Drainage Contract Payments (all of which are derived from the Water/Sewer/Drainage Contract Tax or other legally available funds of a Participant) are not pledged for and are not available to be used to make Road Contract Payments. Road Contract Payments (all of which are derived from the Road Contract Tax or other legally available funds of a Participant) are not pledged for and are not available to be used to make Water/Sewer/Drainage Contract Payments.

The Master District Contract defines and obligates the Participants to pay a Monthly Charge for each active connection in the Participants to pay for all of the operation and maintenance of the Master District Facilities and to provide for an operation and maintenance reserve in the Master District General Fund equivalent to three months of operation and maintenance expenses for the Master District Facilities. The Master District has leased a temporary wastewater treatment plant and those monthly payments are included in the Monthly Charge. Each Participant's share of operation and maintenance expenses and reserve requirements is calculated and expressed in terms of costs per equivalent single-family residential connection. The Participant's monthly payment for operation and maintenance or Monthly Charges is calculated by multiplying the number of equivalent single-family residential connections reserved to the Participant on the first day of the previous month by the Monthly Charge. The Master District may calculate the Monthly Charge at any time, but has previously established the Monthly Charge while adopting its annual budget. Currently, the Monthly Charge is $191.

DEVELOPER AGREEMENT

A Development Agreement among the City, CCR West, Inc. and Fulshear FF Texas Holdings, L.P. (collectively, the "CCW Developer") was entered into on July 21, 2021 (the "DA"). The DA applies only to the property owned by the CCW Developer, or approximately 1,253 acres ("DA Property").

The DA contemplated the CCW Developer submitting a petition to the City to request all of the DA Property that is not inside the City's ETJ be included in the City's ETJ. The parties agreed that the number of single-family residential housing units shall not exceed 3,900 and the DA Property may contain a maximum amount of 1,800 multi-family units. The parties agreed that the lot size will average 6,000 square feet with a minimum of a forty-foot width requirement, provided that no more than thirty-five percent of the single-family units are forty-five feet in width. The CCW Developer is required to pay the City a Utility Inspection Fee, which is one percent of the total cost of construction for water, sewer, drainage and road projects, but not park or recreational projects. The homebuilder agrees to pay to the City a Homebuilder Permit Fee not to exceed $600 per residential unit.

The CCW Developer agrees to dedicate a minimum of 110 acres of reserve, parkland and open space to the Master District or the homeowner's association. The timing of the dedication will follow the development of the DA Property. Additionally, the City requires the CCW Developer to remit $450 per dwelling unit toward the City's costs to implement a Regional Park.

The DA has attached a copy of the City Development Ordinance, City Ordinance No. 2020-1331, which are the chapters that apply in the City's ETJ, and specifically details which provisions apply to the DA Property and which do not apply. The City must approve all plats, plans and specifications that conform with the DA and meet the City Development Ordinance, as attached to the DA.

The City agrees not to dissolve or attempt to dissolve in whole or in part any Participant until the Developers have developed, and have been reimbursed for, ninety percent of the developable acreage within the Participant. If the City dissolves a Participant, in connection with all other remedies allowed by law, the City shall assume the full reimbursement of the CCW Developer. Further, the CCW Developer agrees that upon the request of the City, the CCW Developer would encourage the Participant to enter into a Strategic Partnership Agreement between the Participant and the City for a limited purpose annexation and to levy a sales and use tax. To date, the City has not requested this from the CCW Developer.

DESCRIPTION OF THE DEVELOPERS

Role of the Developer

In general, the activities of a developer in a municipal utility district such as the Master District include purchasing the land within the Master District, designing the subdivisions, designing the utilities and streets to be constructed in the subdivisions, designing any community facilities to be built, defining a marketing program and building schedule, securing necessary governmental approvals and permits for development, arranging for the construction of roads and the installation of utilities (including, in some cases, water, wastewater, and drainage facilities pursuant to the rules of the TCEQ, as well as gas, telephone, and electric service) and selling improved lots and commercial reserves to builders, developers, or other third parties. In some 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 utility district pursuant to the rules of the TCEQ. The relative success or failure of a developer to perform such activities in development of property within a utility district may have a profound effect on the security of the unlimited tax bonds issued by such district. A developer is generally under no obligation to a district to develop the property which it owns. 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 usually the major taxpayer within a municipal utility district during the initial development phase of the property.

Principal Landowners/Developers

CCR West Inc., a Texas Corporation, ("CCW") is the primary developer of land in the Service Area. CCW was created for the purpose of developing land in Cross Creek West. Fulshear FF Texas Holding LP ("Fulshear FF"), is the entity through which development operations are managed and was formed for purposes of acquiring and holding tracts of land within the Service Area. CCW is responsible for constructing the improvements to serve Cross Creek West and delivers finished lots to the homebuilders within Cross Creek West. Fulshear FF and CCW are affiliates of Johnson Development Corp. ("JDC"). JDC is a land developer of residential and commercial properties across the country, and, since its establishment in 1975, has been involved in over 100 projects resulting in the development of over 40,000 acres devoted to multiple-use commercial parks; office buildings; retail centers; championship golf courses; and residential communities. In Texas, JDC is responsible for the development of several master-planned communities, including: Cross Creek Ranch; Harvest Green; Jordan Ranch; Riverstone; Imperial; Fall Creek; Tuscan Lakes; Edgewater; Woodforest; Harmony; Grand Central Park; Willow Sienna; Veranda; Creek Farms; Trinity Falls; and Viridian.

According to Fulshear FF, it is a thinly capitalized company whose primary assets consist of its land in the Service Area and reimbursements due from the Master District and the other Participants. Further, according to Fulshear FF, it is currently operating with a net income, with its income comprised almost entirely of revenues from the sale of finished lots.

In addition, M/I Homes of Houston, LLC, ("M/I Homes," and collectively with CCW, the "Developers") a Texas limited liability company and a subsidiary of M/I Homes, Inc., the stock of which is publicly traded on the New York Stock Exchange under the ticker symbol "MHO", owns approximately 140 acres within FBMUD 195, which approximately 70 acres has been developed into the subdivision Summerview, and approximately 16 acres are currently under development. M/I Homes is also the homebuilder on such lots. For more information, visit www.mihomes.com.

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

Developer Financing

On March 31, 2020, the Fulshear FF obtained a promissory note from Capital Farm Credit, FLCA. The loan had a maximum principal balance of $18,500,000 and matures on June 1, 2025. The outstanding balance as of January 22, 2025 was $13,827,632 and, according to Fulshear FF, it is in compliance with all material conditions of the loan.

CROSS CREEK WEST

In 2013, Fulshear FF purchased approximately 1,249 acres within the Service Area with plans to ultimately develop 3,200 total single family residential lots. This area includes three (3) internal municipal utility districts.

According to the CCW Developer, the ultimate land use within Cross Creek West is currently projected to consist of: approximately 3,200 single-family residential lots; and approximately 20 acres used for the development of commercial mixed-use projects. The remaining ultimate land use within Cross Creek West is currently projected to consist of: street rights-of-way; and multiple open spaces, lakes, parks, recreational facilities, and greenbelts.

To date, development within Cross Creek West has occurred primarily within FBMUD 198 and FBMUD 195. As of January 9, 2025, single-family residential development within Cross Creek West, in aggregate, includes approximately 571 completed homes; approximately 49 homes under construction; and approximately 246 vacant and developed lots.

The Master District serves as a provider of regional water, wastewater, drainage, road, and park and recreational facilities to the approximately 1,388.6 acre Service Area, which includes the 1,210.47-acre master-planned community known as Cross Creek West. Cross Creek West is comprised of the Master District, FBMUD 214, FBMUD 198, and a portion of FBMUD 195. A portion of FBMUD 195 (approximately 139.8 acres) is not a part of Cross Creek West, but is located within the Service Area and is served by the Master District.

SUMMERVIEW

M/I Homes owns approximately 140 acres within the Service Area with plans to ultimately develop 410 total single family residential lots. Development within Summerview has occurred entirely within FBMUD 195. As of January 9, 2025, single-family residential development within Summerview includes approximately 92 completed homes; approximately 38 homes under construction; approximately 73 vacant and developed lots, and approximately 95 lots under development.

MASTER DISTRICT FACILITIES

Regulation

According to the Engineer, the Master District Facilities 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 County, and the City. According to the Engineer, the design of all such completed facilities has been approved by all required governmental agencies.

Operation of the District's waterworks and sewer treatment facilities is subject to regulation by, among others, the Environmental Protection Agency and the TCEQ. In many cases, regulations promulgated by these agencies have become effective only recently and are subject to further development and revisions.

Water Supply

FBMUD 214, in its capacity as the Master District, is responsible for planning and providing major water supply and distribution facilities to the districts within the Service Area. The Participants will finance their respective shares of the water supply facilities by a contract tax paid by the Participants to the Master District. The Participants receive potable water from Water Well No. 1 (1,500 gpm) and Water Well No. 2 (350 gpm) at Water Plant No. 1, which is operated by the Master District.

The wells constructed by the Master District are within the regulatory area of the Fort Bend Subsidence District (the "FBSD"). The FBSD 2003 Regulatory Plan requires a district located in the Regulatory Area to draft or be part of a groundwater reduction plan ("GRP") by 2008. A district must be part of a GRP, which provides for 30% surface water conversion by 2014 and 60% surface water conversion by 2025. In 2005, the Texas Legislature created the North Fort Bend Water Authority (the "Authority") to, among other things, reduce groundwater usage in, and to provide surface water to, the northern portion of Fort Bend County and a small portion of Harris County. The Authority has prepared and obtained

FBSD approval of its GRP. A portion of the Service Area lies within the boundary of the Authority and thereby complies with the above FBSD regulations, collectively, with the other water users within the Authority. The remaining portion lies in the West Fort Bend Water Authority ("WFBWA"), which hasn't levied a usage fee yet.

The Master District's water supply is capable of serving 1,290 ESFCs, which is adequate to currently serve the Service Area.

Wastewater Treatment

FBMUD 214, in its capacity as Master District, is responsible for planning and providing major wastewater collection and treatment facilities to the districts within its Service Area. The Participants will finance their share of the wastewater treatment facilities by a contract tax paid by the Participants to the Master District. The Participants receive wastewater treatment service from a 0.2 MGD wastewater treatment plant leased from AUC Group, L.P. ("AUC"). Under the Lease Agreement, all capacity in the wastewater treatment plant will be reserved to serve the development within the Service Area. The residents of FBMUD 195 and FBMUD 198 receive wastewater treatment service from a wastewater treatment plant that is leased from AUC. The Master District entered into a lease agreement with AUC for Phase I and is responsible for the monthly lease payments. This lease provide 200,000 gpd capacity (Phase I) in wastewater treatment plant. FBMUD 214, in its capacity as a Participant, FBMUD 195 and FBMUD 198 will finance their share of the lease payments via the contract payments to the Master District.

The Master District's wastewater treatment capacity is capable of serving 667 ESFCs which is adequate to currently serve the Service Area.

Storm Drainage

The undeveloped land in the Service Area drains naturally into Bessie's Creek. Internal storm-water collection lines will be constructed for drainage system improvements to serve each Participant's development. Each Participant's storm drainage collection system will consist of curb and gutters. This system will serve the entire District's drainage area and will convey flows to several storm water detention basins owned and maintained by the Master District. The detention basins will ultimately drain to Bessie's Creek.

Master District Road Facilities

The Master District, in its capacity as the provider of the Master District Road Facilities, will construct the major arterial, collector, and thoroughfare roads necessary to serve the Service Area.

All roadways are designed and constructed in accordance with the standards, rules, and regulations of the County and the City. The County will accept the Master District Road Facilities for operating and maintenance and is responsible for operation and maintenance thereof. In the event the County were to fail to accept the Master District Road Facilities, the Master District is expected to include the cost of maintenance of same in the Master District's operation and maintenance expenses to be shared by the Participants in accordance with the Master District Contract, and such cost could be significant.

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MASTER DISTRICT DEBT

General

The following tables and calculations relate to the Bonds. The Master District, the Participants, and various other political subdivisions of government which overlap all or a portion of the Master District and the Participants are empowered to incur debt to be raised by taxation against all or a portion of the property within the Master District and the Participants.

Master Direct Debt:			
The Outstanding Bonds (at the time of delivery of the Bonds)	$	12,715,000	
The Series 2025 Contract Revenue Bonds		12,570,000	
The Series 2025A Contract Revenue Road Bonds		1,445,000	
Total Direct Debt	$	26,730,000	
Estimated Overlapping Debt		51,768,329	(a)
Total Direct and Estimated Overlapping Debt	$	78,498,329	
Contract Revenue System Debt Service Fund Balance (as of January 9, 2025)	$	289,711	(b)(d)(e)
Contract Revenue Road Debt Service Fund Balance (as of January 9, 2025)	$	311,293	(c)(d)(e)

____

(a) See "MASTER DISTRICT DEBT – Estimated Direct and Overlapping Debt Statement."

(b) In addition to this amount, twelve (12) months of capitalized interest will be deposited into the Contract Revenue System Debt Service Fund (herein defined) upon closing of the Series 2025 Contract Revenue Bonds. The amount above does not include such amount. Neither Texas law nor the Bond Resolution requires that the District maintain any particular sum in the Contract Revenue System Debt Service Fund.

(c) In addition to this amount, twelve (12) months of capitalized interest will be deposited into the Contract Revenue Road Debt Service Fund (herein defined) upon closing of the Series 2025A Contract Revenue Road Bonds. The amount above does not include such amount. Neither Texas law nor the Bond Resolution requires that the District maintain any particular sum in the Contract Revenue Road Debt Service Fund.

(d) Funds deposited into the Contract Revenue System Debt Service Fund are not pledged to the Contract Revenue Road Bonds, such as the Series 2025A Contract Revenue Road Bonds, nor are funds deposited into the Contract Revenue Road Debt Service Fund pledged to the Contract Revenue System Bonds, such as the Series 2025 Contract Revenue Bonds.

(e) Each Participant is obligated to pay a pro rata share of debt service on the Contract Revenue Bonds by the dates specified by the Master District. See "THE BONDS – Contract Payments by the Participants, "THE BONDS – Unconditional Obligation to Pay," and "MASTER DISTRICT CONTRACT."

Assessed Valuations of the Participants

Participant	2024 Gross Certified Assessed Valuation (a)	Percent of Total	Estimated Gross Assessed Valuation as of December 1, 2024 (b)	Percent of Total
FBMUD 195	$ 52,235,375	20.13%	$ 70,140,171	19.10%
FBMUD 198	195,841,479	75.49%	285,780,268	77.81%
FBMUD 214	11,366,023	3.09%	11,366,023	3.09%
Total	$ 259,442,877	100.00%	$ 367,286,462	100.00%

(a) Represents the gross assessed valuation of all taxable property located within the Participant as of January 1, 2024, as provided by the Appraisal District. The Participant's tax roll is certified by the Appraisal Review Board. See "TAX DATA" and "TAXING PROCEDURES."
(b) Provided by the Appraisal District for informational purposes only. This amount is an estimate of the value of all taxable property located within the Participant as of December 1, 2024, and includes the gross estimate of values resulting from the construction of taxable improvements from January 1, 2024, through December 1, 2024. No taxes will be levied against this amount. See "TAX DATA" and "TAXING PROCEDURES."

Tax Rates of the Participants

The Participants pay contract payments to the Master District each March 1 and September 1 in equal amounts. The contract payment calculations for each Participant are based on the Participant's Gross Certified Assessed Valuation, as defined in the Master District Contract, and does not make allowance for any exemptions granted by the Participant. See "MASTER DISTRICT CONTRACT."

Participant	2024 Debt Service Tax Rate	2024 Maintenance Tax Rate	2024 Contract Tax Rate (b)	Total 2024 Tax Rate
FBMUD 195	$ 0.000	$ 1.500	$ 0.000	$ 1.500
FBMUD 198	0.470	0.765	0.265	1.500
FBMUD 214 (a)	0.000	0.000	0.000	0.000

(a) FBMUD 214 has not levied a tax rate to date, but may levy a tax rate at a future date.
(b) Until such time as the Participants levy a Contract Tax, Contract Payments will be paid from operating funds advanced by the Developers. See "RISK FACTORS – Dependence on Major Taxpayers and the Developers."

Debt Ratios

	2024 Gross Certified Assessed Valuation of the Participants	Estimated Gross Assessed Valuation of the Participants as of December 1, 2024
Direct Debt (a)	10.30%	7.28%
Total Direct and Estimated Overlapping Debt (a)	30.26%	21.37%

(a) Includes the Bonds and the Outstanding Bonds.

Estimated Direct and Overlapping Debt Statement

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

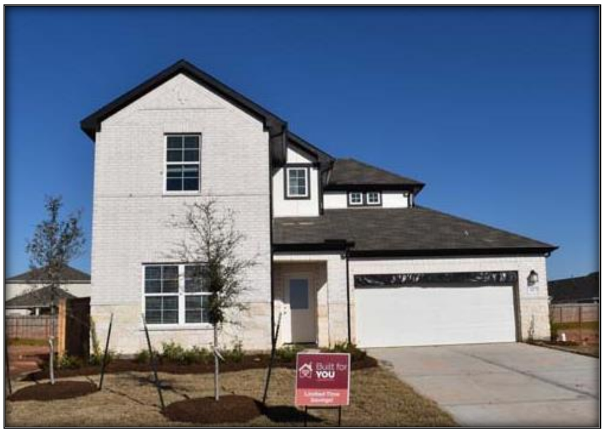
Taxing Jurisdiction	Outstanding Debt as of December 31, 2024	Estimated Overlapping Debt Percent	Estimated Overlapping Debt Amount
Fort Bend County	$ 1,114,449,190	0.18%	$ 1,995,597
Fort Bend County Drainage District	22,655,000	0.18%	40,884
Lamar Consolidated Independent School District	3,095,995,000	0.71%	21,836,848
FBMUD 195 (a)	2,355,000	100.00%	2,355,000
FBMUD 198 (b)	25,540,000	100.00%	25,540,000
Total Estimated Overlapping Debt			$ 51,768,329
The Master District (Total Direct Debt) (c)			$ 26,730,000
Total Direct and Estimated Overlapping Debt (c)			$ 78,498,329

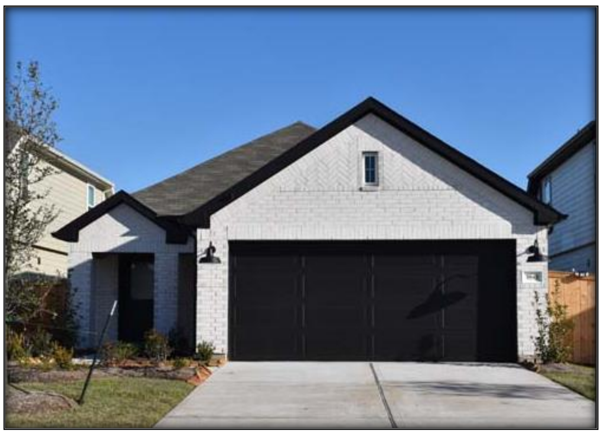
(a) FBMUD 195 plans to issue $2,355,000 principal amount of unlimited tax road bonds in April 2025.

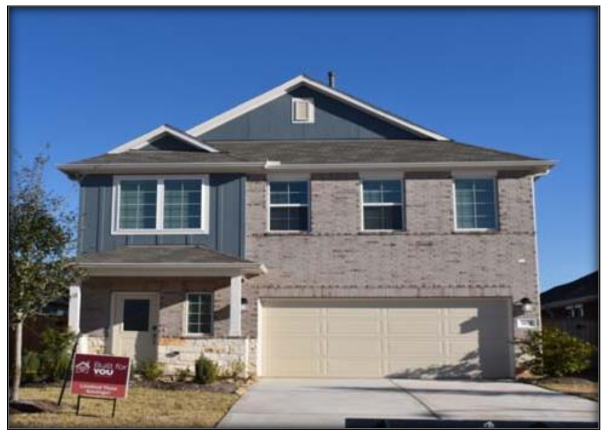
(b) FBMUD 198 plans to issue $10,980,000 principal amount of unlimited tax bonds in April 2025.

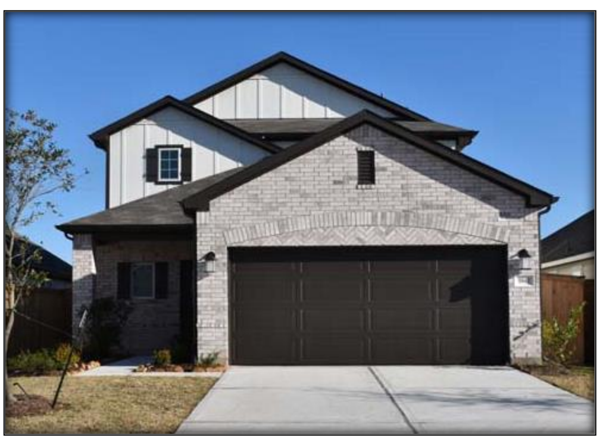
(c) Includes the Bonds and the Outstanding Bonds.

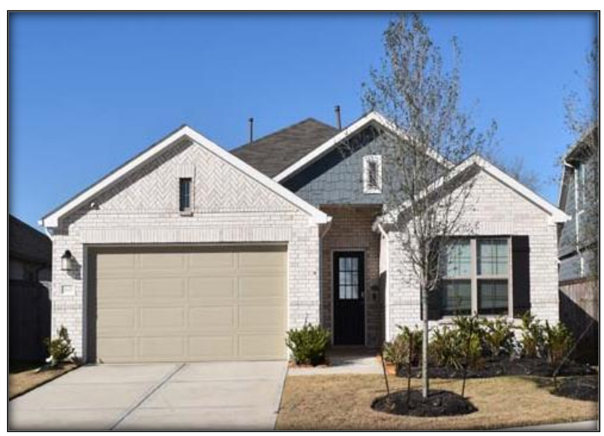
PHOTOGRAPHS TAKEN WITHIN THE SERVICE AREA
(FBMUD 195 – January 9, 2025)



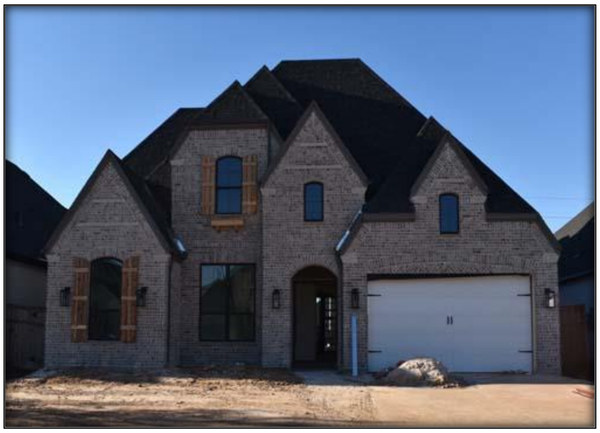
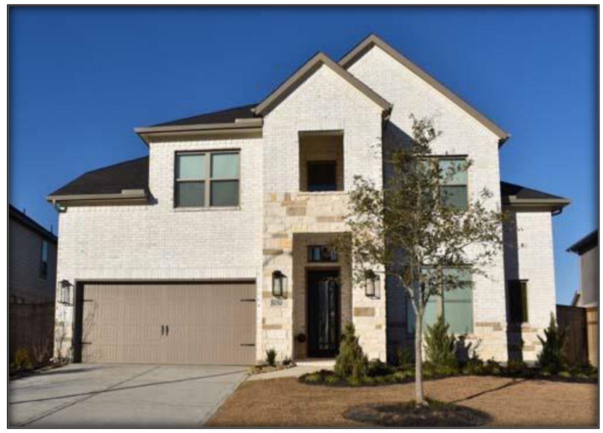
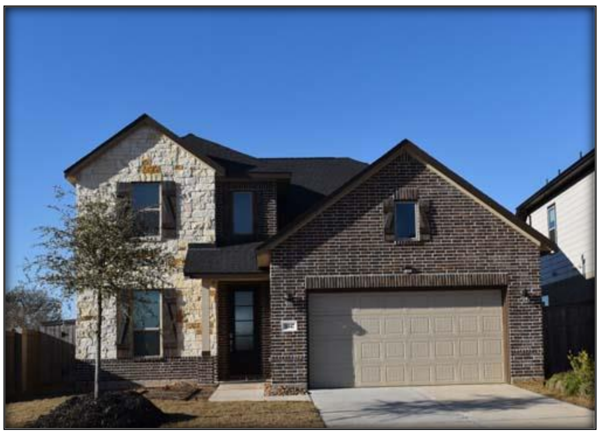


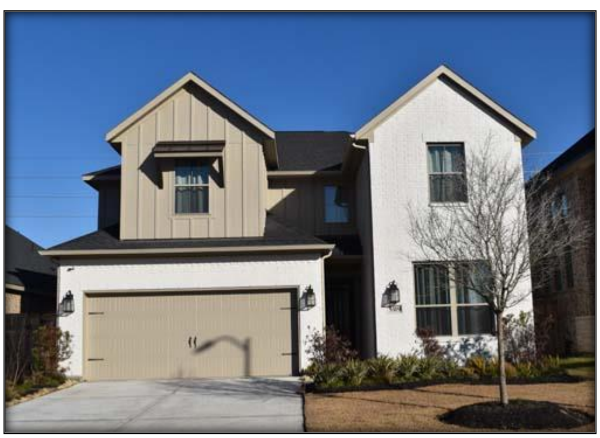
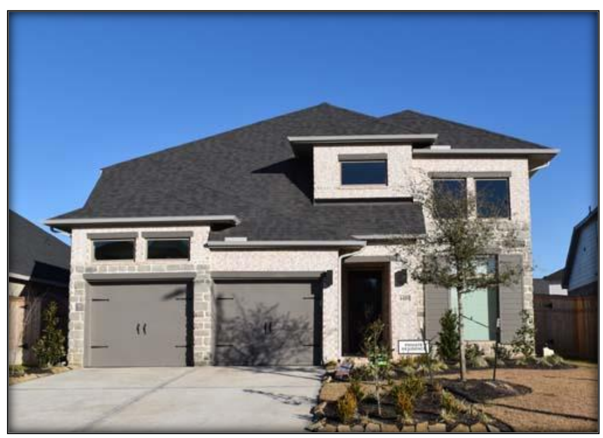




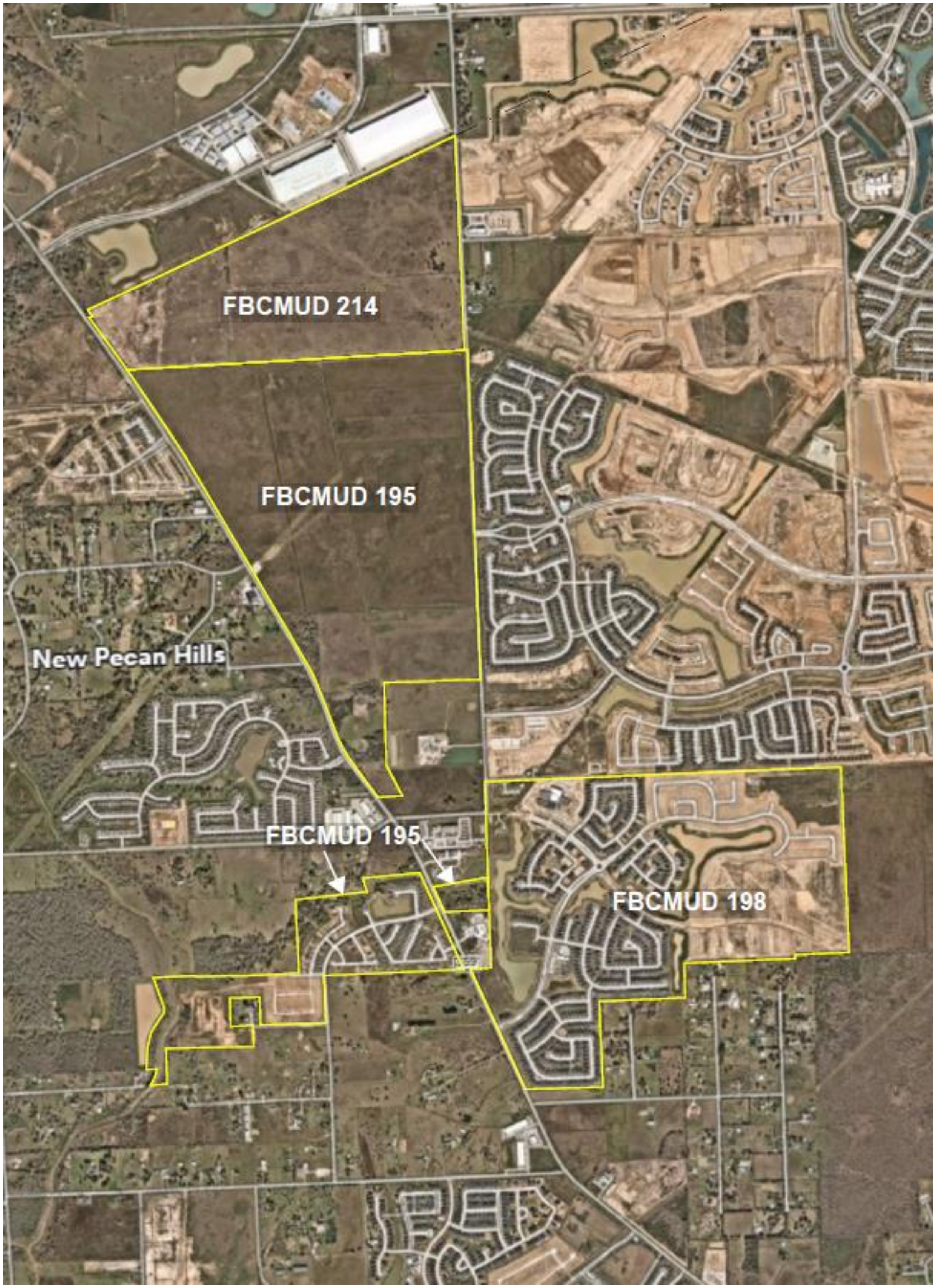


PHOTOGRAPHS TAKEN WITHIN THE SERVICE AREA
(FBMUD 198 – January 9, 2025)

AERIAL OF THE SERVICE AREA
(January 2025)



TAXING PROCEDURES

Authority to Levy Taxes

Each Participant is authorized to levy a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, on all taxable property within its boundaries in sufficient amount to pay the principal of and interest on any unlimited tax bonds issued by it, Contract Payments on the Contract Revenue Bonds, including the Bonds, that the Master District may hereafter issue, and to pay the expenses of assessing and collecting such taxes. Voters within each Participant have also authorized the levy of a maintenance and operations tax not to exceed $1.50 per $100 valuation for the operation and maintenance of water, wastewater, drainage, and park and recreational facilities and a maintenance and operations tax not to exceed $0.250 per $100 valuation for the operation and maintenance of road facilities.

Property Tax Code and County-wide Appraisal District

Title I of the Texas Tax Code (the "Property Tax Code") specifies the taxing procedures of all political subdivisions of Texas. Provisions of the Property Tax Code are complex and are not fully summarized herein. The Property Tax Code requires, among other matters, county-wide appraisal and equalization of taxable property values and establishes in each county of Texas an appraisal district with the responsibility for recording and appraising property for all taxing units within a county and an appraisal review board with responsibility for reviewing and equalizing the values established by the appraisal district. The Appraisal District has the responsibility of appraising property for all taxing units within the County. Such appraisal values will be subject to review and change by the Fort Bend County Appraisal Review Board (the "Appraisal Review Board"). The appraisal roll, as approved by the Appraisal Review Board, will be used by the Participants in establishing their tax rolls and tax rate. See "TAXING PROCEDURES – Valuation of Property for Taxation."

Property Subject to Taxation by the Participants

Except for certain exemptions provided by Texas law, all real property, tangible personal property held or used for the production of income, mobile homes and certain categories of intangible personal property with a tax situs in in each Participant are subject to taxation by that Participant. Principal categories of exempt property include, but are not limited to: 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; certain goods, wares, and merchandise in transit; certain farm products owned by the producer; certain property of charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; and most individually-owned automobiles. In addition, each Participant may by its own action exempt residential homesteads of persons 65 years or older and certain disabled persons, to the extent deemed advisable by the Board. The Participants may be required to offer such exemptions if a majority of voters approve same at an election. The Participants would be required to call an election upon petition by 20% of the number of qualified voters who voted in the preceding election. The Participants are authorized by statute to disregard exemptions for the disabled and elderly if granting the exemption would impair the Participant's obligation to pay tax supported debt incurred prior to adoption of the exemption by the Participant. Furthermore, the Participants must grant exemptions to disabled veterans or the surviving spouse or children of a deceased veteran who died while on active duty in the armed forces, if requested, but only to the maximum extent of between $5,000 and $12,000 depending upon the disability rating of the veteran claiming the exemption. A veteran who receives a disability rating of 100% is entitled to an exemption for the full value of the veteran's residence homestead. Furthermore, qualifying surviving spouses of persons 65 years of age and older are entitled to receive a resident homestead exemption equal to the exemption received by the deceased spouse. Additionally, subject to certain conditions, the surviving spouse of a disabled veteran who is entitled to an exemption for the full value of the veteran's residence homestead is also entitled to an exemption from taxation of the appraised value of the same property to which the disabled veteran's exemption applied. A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran's disability rating if the residence homestead was donated by a charitable organization. This exemption will also apply to a residence homestead that was donated by a charitable organization at some cost to such veterans. Also, the surviving spouse of a member of the armed forces who was killed in action is entitled to an exemption of the appraised value of the surviving spouse's residence homestead if the surviving spouse has not remarried since the service member's death and said property was the service member's residence homestead at the time of death. Such exemption may be transferred to a subsequent residence homestead of the surviving spouse, if the surviving spouse has not remarried, in an amount equal to the exemption received on the prior residence in the last year in which such exemption was received.

The surviving spouse of a first responder who is killed or fatally injured in the line of duty is entitled to an exemption of the appraised value of the surviving spouse's residence homestead if the surviving spouse has not remarried since the first responder's death, and said property was the first responder's residence homestead at the time of death. Such exemption would be transferred to a subsequent residence homestead of the surviving spouse, if the surviving spouse has not remarried, in an amount equal to the exemption received on the prior residence in the last year in which such exemption was received. To date, no Participants have granted an exemption for persons over 65 years of age and for disabled persons.

***Residential Homestead Exemptions*:** The Property Tax Code authorizes the governing body of each political subdivision in Texas to exempt up to 20% of the appraised market value of residential homesteads from ad valorem taxation. Where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged, if the cessation of the levy would impair the obligations of the contract by which the debt was created. The adoption of a homestead exemption may be considered each year, but must be adopted by July 1. To date, none of the Participants have adopted a homestead exemption.

Freeport Goods and Goods-in-Transit Exemption: A "Freeport Exemption" applies to goods, wares, ores, and merchandise other than oil, gas, and petroleum products (defined as liquid and gaseous materials immediately derived from refining petroleum or natural gas), and to aircraft or repair parts used by a certified air carrier acquired in or imported into Texas which are destined to be forwarded outside of Texas and which are detained in Texas for assembling, storing, manufacturing, processing, or fabricating for less than 175 days. Although certain taxing units may take official action to tax such property in transit and negate such exemption, the Participants do not have such an option. A "Goods-in-Transit" Exemption is applicable to the same categories of tangible personal property which are covered by the Freeport Exemption, if, for tax year 2013 and prior applicable years, such property is acquired in or imported into Texas for assembling, storing, manufacturing, processing, or fabricating purposes and is subsequently forwarded to another location inside or outside of Texas not later than 175 days after acquisition or importation, and the location where said property is detained during that period is not directly or indirectly owned or under the control of the property owner. For tax year 2012 and subsequent years, such Goods-in-Transit Exemption includes tangible personal property acquired in or imported into Texas for storage purposes only if such property is stored under a contract of bailment by a public warehouse operator at one (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. 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 Participants may, by official action and after public hearing, tax goods-in-transit property. A taxing unit must exercise its option to tax goods-in-transit property before January 1 of the first tax year in which it proposes to tax the property at the time and in the manner prescribed by applicable law. The Participants have taken official action to allow taxation of all such goods-in-transit personal property for all prior and subsequent years.

Tax Abatement

The County may designate all or part of the area within the Service Area as a reinvestment zone. Thereafter, the County and the Participants, at the option and discretion of each entity, may enter into tax abatement agreements with owners of property within the zone. Prior to entering into a tax abatement agreement, each entity must adopt guidelines and criteria for establishing tax abatement which each entity will follow in granting tax abatement to owners of property. The tax abatement agreements may exempt from ad valorem taxation by each of the applicable taxing jurisdictions, including the Participants, for a period of up to 10 years, all or any part of any increase in the assessed valuation of property covered by the agreement over its assessed valuation in the year in which the agreement is executed on the condition that the property owner make specified improvements or repairs to the property in conformity with the terms of the tax abatement. As of September 1, 1999, each taxing jurisdiction has discretion to determine terms for its tax abatement agreements without regard to the terms approved by the other taxing jurisdictions. To date, the County has not designated any part of the area within the Service Area as a reinvestment zone.

Valuation of Property for Taxation

Generally, property in the Service Area must be appraised by the Appraisal District at market value as of January 1 of each year. Once an appraisal roll is prepared and finally approved by the Appraisal Review Board, it is used by the Participants in establishing their tax rolls and tax rate. Assessments under the Property Tax Code are to be based on 100% of market value, as such is defined in the Property Tax Code. Nevertheless, certain land may be appraised at less than market value, as such is defined in the Property Tax Code. The Texas Constitution limits increases in the appraised value of residence homesteads to 10% annually regardless of the market value of the property.

The Property Tax Code permits land designated for agricultural use, open space or timberland to be appraised at its value based on the land's capacity to produce agricultural or timber products rather than at its fair market value. The Property Tax Code permits under certain circumstances that residential real property inventory held by a person in the trade or business be valued at the price all of such property would bring if sold as a unit to a purchaser who would continue the business. Provisions of the Property Tax Code are complex and are not fully summarized here. Landowners wishing to avail themselves of the agricultural use, open space or timberland designation or residential real property inventory designation must apply for the designation and the appraiser is required by the Property Tax Code to act on each claimant's right to the designation individually. A claimant may waive the special valuation as to taxation by one (1) political subdivision while claiming it for another. If a claimant receives the agricultural use designation and later loses it by changing the use of the property or selling it to an unqualified owner, the Participants can collect taxes based on the new use, including taxes for the previous three (3) years, for open space land and timberland.

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

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

Participant and Taxpayer Remedies

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

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

Levy and Collection of Taxes

The Participants are responsible for the levy and collection of its taxes unless it elects to transfer such functions to another governmental entity. The rate of taxation is set by the Board, after the legally required notice has been given to owners of property within that Participant, based upon: a) the valuation of property within that Participant as of the preceding January 1, and b) the amount required to be raised for debt service, maintenance purposes, and authorized contractual obligations. Taxes are due October 1, or when billed, whichever comes later, and become delinquent if not paid before February 1 of the year following the year in which imposed. A delinquent tax incurs a penalty of 6% of the amount of the tax for the first calendar month it is delinquent, plus 1% for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of 12% regardless of the number of months the tax has been delinquent and incurs an additional penalty for collection costs of an amount established by the Participant and a delinquent tax attorney. A delinquent tax on personal property incurs an additional penalty, in an amount established by the Participant and a delinquent tax attorney, 60 days after the date the taxes become delinquent. The delinquent tax accrues interest at a rate of 1% for each month or portion of a month it remains unpaid. The Property Tax Code makes provisions for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes under certain circumstances which, at the option of the Participant, may be rejected by taxing units. The Participant's tax collector is required to enter into an installment payment agreement with any person who is delinquent on the payment of tax on a residence homestead for payment of taxes, penalties, and interest, if the person requests an installment agreement and has not entered into an installment agreement with the collector in the preceding 24 months. The installment agreement must provide for payments to be made in monthly installments and must extend for a period of at least 12 months and no more than 36 months. Additionally, the owner of a residential homestead property who is (i) 65 years of age or older, (ii) disabled, or (iii) a disabled veteran, is entitled by law to pay current taxes on a residential homestead in installments without penalty or to defer the payment of taxes during the time of ownership. In the instance of tax deferral, a tax lien remains on the property and interest continue to accrue during the period of deferral.

Tax Payment Installments After Disaster

Certain qualified taxpayers, including owners of residential homesteads, located within a designated disaster area or emergency area and whose property has been damaged as a direct result of the disaster or emergency, are entitled to enter into a tax payment installment agreement with a taxing jurisdiction, such as the Participants, if the taxpayer pays at least 1/4th of the tax bill imposed on the property by the delinquency date.

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

Rollback of Maintenance and Operations Tax Rate

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

Special Taxing Units

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

Developed Districts

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

Developing Districts

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

The District

The Master District has not yet levied a tax, so it has not yet made a determination of its status as a Special Taxing Unit, Developed District or Developing District. The Participants cannot give any assurances as to what its classification will be at any point in time or whether the Participants' future tax rates will result in a total tax rate that will reclassify the Participants into a new classification and new election calculation.

Participant's Rights in the Event of Tax Delinquencies

Taxes levied by the Participants are a personal obligation of the owner of the property as of January 1 of the year in which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of Texas and each taxing unit, including the Participants, having the power to tax the property. The Participants' tax lien is on a parity with the tax liens of other such taxing units. A tax lien on real property takes priority over the claims of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien; however, whether a lien of the United States is on a parity with or takes priority over a tax lien of the Participants is determined by federal law. Personal property, under certain circumstances, is subject to seizure and sale for the payment of delinquent taxes, penalty, and interest.

At any time after taxes on property become delinquent, the Participants 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 Participants must join other taxing units that have claims for delinquent taxes against all or part of the same property.

Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, by taxpayer redemption rights or by bankruptcy proceedings which restrict the collection of taxpayer debts. A taxpayer may redeem property within six (6) months for commercial property and two (2) years for residential and other types of property after the purchaser's deed at the foreclosure sale is filed in the county records.

TAX DATA

Contract Tax

The Master District has the authority to issue Contract Revenue Bonds. Each Participant's pro rata share of the debt service requirements on the Contract Revenue Bonds shall be determined by dividing each Participant's Gross Certified Assessed Valuation by the total of all Participants' Gross Certified Assessed Valuation, calculated annually. Calculation of the Contract Payments is based upon the Gross Certified Assessed Valuation and does not make allowances for any exemption granted by the Participants; however, allowances are made for exemptions provided under State law that do not require action by the Participants. See "TAXING PROCEDURES." The Master District Contract obligates each Participant to pay its pro rata share of debt service requirements on the Contract Revenue Bonds from the proceeds of annual unlimited Contract Taxes, from revenues derived from the operation of its water distribution and wastewater collection systems, or from any other legally available funds. The debt service requirement shall include principal, interest, and redemption requirements on the Contract Revenue Bonds, paying agent/registrar fees, and all amount necessary to establish and maintain funds established under the applicable bond resolution. Until such time as the Participants levy a Contract Tax, Contract Payments will be paid from operating funds advanced by the Developers.

Debt Service Tax

Each Participant has the statutory authority to issue its unlimited tax bonds for the purpose of providing facilities to serve the land within its boundaries. Such bonds will be paid by a direct continuing annual ad valorem tax, without legal limit as to rate or amount, adequate to provide funds to pay the principal of and interest on such bonds. Such tax is in addition to Contract Taxes. See "APPENDIX A – CERTAIN FINANCIAL INFORMATION REGARDING THE PARTICIPANTS" for information related to each Participant's historical tax data and authorized but unissued unlimited tax bonds. For the 2025 tax year, FBMUD 214 does not anticipate levying a debt service tax rate.

Maintenance and Operations Tax

The Board of Directors of each Participant has the statutory authority to levy and collect an annual ad valorem tax for maintenance purposes, including, but not limited to, funds for planning, constructing, maintaining, repairing, and operating all necessary land, plants, works facilities, improvements, appliances, and equipment, if such maintenance and operations tax is authorized by a vote of the Participant's electors. Such tax would be in addition to Contract Taxes and taxes levied for paying principal of and interest on any unlimited tax bonds which may be issued by the Participants. For the 2025 tax year, FBMUD 214 does not anticipate levying a maintenance and operations tax rate. See "APPENDIX A – CERTAIN FINANCIAL INFORMATION REGARDING THE PARTICIPANTS" for the amount of voter authorized maintenance and operations tax for each Participant.

Tax Rate Limitation

Debt Service:	Unlimited (no legal limit as to rate or amount).
Maintenance and Operations:	$1.50 per $100 of assessed valuation.
Contract Taxes:	Unlimited (no legal limit as to rate or amount).
Road Maintenance:	$0.25 per $100 of assessed valuation.

Analysis of Tax Base

The following represents the type of property comprising the 2024 tax rolls of each Participant as certified by the Appraisal District.

Type of Property	FBMUD 195 2024 Gross Certified Assessed Valuation	FBMUD 198 2024 Gross Certified Assessed Valuation (a)	FBMUD 214 2024 Gross Certified Assessed Valuation
Land	$ 45,081,546	$ 76,495,629	$ 13,522,204
Improvements	9,240,544	126,835,390	-
Personal Property	73,872	440,179	425,417
Exemptions	(2,160,587)	(7,929,719)	(2,581,598)
Total	$ 52,235,375	$ 195,841,479	$ 11,366,023

(a) Does not include $412,778 of uncertified value under protest.

Principal Taxpayers

The following are the principal taxpayers within the Service Area as shown on each Participant's gross certified appraisal rolls for the 2024 tax year.

Taxpayer	Gross Certified Assessed Taxable Valuation 2024 Tax Roll	Percentage of 2024 Taxable Assessed Valuation
CCR WEST INC	$ 17,756,277	6.84%
M/I HOMES OF HOUSTON LLC (A) (B)	11,173,327	4.31%
FULSHEAR FF TEXAS HOLDINGS LP (A)	10,790,133	4.16%
PERRY HOMES LLC	5,875,324	2.26%
WESTIN HOMES & PROPERTIES LP	3,693,221	1.42%
NEWMARK HOMES HOUSTON LLC	3,050,101	1.18%
WESTIN HOMES AND PROPERTIES LP	2,749,832	1.06%
HIGHLAND HOMES-HOUSTON LLC	2,455,000	0.95%
LENNAR HOMES OF TEXAS LAND AND CONSTRUCTION LTD	2,208,000	0.85%
HOMEOWNER	2,143,038	0.83%
Total	$ 61,894,253	23.86%
Percent of Respective Tax Roll		23.86%

(a) See "DESCRIPTION OF THE DEVELOPERS."
(b) See "THE MASTER DISTRICT – Homebuilders Active Within the Service Area."

Tax Rate Calculations

The tax rate calculations set forth below are presented to indicate the tax rates per $100 of assessed valuation which would be required to meet certain debt service requirements on the Bonds if no growth occurs beyond the 2024 Gross Certified Assessed Valuation of the Participants ($259,442,877) and the Estimated Gross Assessed Valuation of the Participants as of December 1, 2024 ($367,286,462). The calculations assume collection of 95% of taxes levied and the sale of the Bonds and the Outstanding Bonds but not the sale of any additional bonds by the Master District.

Average Annual Debt Service Requirement (2025-2050)	$ 1,732,836
Contract Tax Rate of $0.71 on the 2024 Gross Certified Assessed Valuation Produces	$ 1,749,942
Contract Tax Rate of $0.50 on the Estimated Gross Assessed Valuation of the Participants as of December 1, 2024, Produces	$ 1,744,611
Maximum Annual Debt Service Requirement (2050)	$ 1,840,013
Contract Tax Rate of $0.75 on the 2024 Gross Certified Assessed Valuation Produces	$ 1,848,530
Contract Tax Rate of $0.53 on the Estimated Gross Assessed Valuation of the Participants as of December 1, 2024, Produces	$ 1,849,287

Estimated Overlapping Taxes

Property within the Master District is subject to taxation by several taxing authorities in addition to the Participants. 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 a Participant is on a parity with tax liens of other taxing jurisdictions. In addition to ad valorem taxes required to make debt service payments on bonded debt of a Participant and of such other jurisdictions, 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 and the Participants are authorized to levy Contract Taxes. See "MASTER DISTRICT DEBT - Estimated Overlapping Debt Statements."

Set forth below is an estimation of all taxes per $100 of assessed valuation levied by such jurisdictions. No recognition is given to local assessments for civic association dues, emergency medical service contributions, fire department contributions, or any other charges made by entities other than political subdivisions. The following chart includes the 2023 taxes per $100 of assessed valuation levied by all such taxing jurisdictions.

Taxing Jurisdictions	2024 Tax Rate Per $100 of Assessed Valuation
The Participants (a)	$ 1.500000
Fort Bend County	0.412000
Fort Bend County Drainage District	0.010000
Fort Bend County Emergency Service District No. 4	0.098689
Lamar Consolidated Independent School District	1.146900
Total Tax Rate	$ 3.167589

(a) Represents the highest tax rate for all the Participants.

LEGAL MATTERS

Legal Opinions

Delivery of the Bonds will be accompanied by the approving legal opinion of the Attorney General of Texas to the effect that the Bonds are valid and legally binding obligations of the Master District under the Constitution and laws of Texas, payable from Contract Payments, and, based upon their examination of a transcript of certified proceedings relating to the issuance and sale of the Bonds, the approving legal opinion of Bond Counsel, to a like effect and to the effect that, under existing law, interest on the Bonds is excludable from gross income for federal income tax purposes and interest on the Bonds is not subject to the alternative minimum tax on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations for the purpose of determining the alternative minimum tax imposed on corporations.

Bond Counsel has reviewed the information appearing in this Official Statement under "THE BONDS (except for information under the subheadings "Book-Entry-Only System" , "Use and Distribution of Series 2025 Contract Revenue Bond Proceeds."), and "Use and Distribution of Series 2025A Contract Revenue Road Bonds Proceeds," "THE PARTICIPANTS," "MASTER DISTRICT CONTRACT," "DEVELOPER AGREEMENT," "TAXING PROCEDURES" "LEGAL MATTERS (as it relates to the opinion of Bond Counsel)," "TAX MATTERS," and "CONTINUING DISCLOSURE OF INFORMATION" (except for information under the subheading "Compliance With Prior Undertakings") solely to determine whether such information, insofar as it relates to matters of law, is true and correct and whether such information fairly summarizes matters of law, the provisions of the documents referred to therein and conforms to the provisions of the Bond Resolutions approving the Bonds. Bond Counsel has not, however, independently verified any of the factual information contained herein nor has it conducted an investigation of the affairs of the Master District for the purpose of passing upon the accuracy or completeness of this Official Statement. No person is entitled to rely upon Bond Counsel's limited participation as an assumption of responsibility for or an expression of opinion of any kind with regard to the accuracy or completeness of any information contained herein.

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

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

No-Litigation Certificate

The Master District will furnish the Initial Purchasers a certificate, executed by the Board President and the Board Secretary, and dated as of the date of delivery of the Bonds, that to their knowledge, no litigation is pending or threatened affecting the validity of the Bonds, or the levy and/or collection of taxes for the payment thereof, the organization or boundaries of the Master District, or the title of the officers thereof to their respective offices.

No Material Adverse Change

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

TAX MATTERS

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

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

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

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

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

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

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

Tax Accounting Treatment of Original Issue Discount Bonds

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

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

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

Under existing law, the original issue discount on each Original Issue Discount Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six (6)-month period ending on the date before the semiannual anniversary dates 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 Bond for purposes of determining the amount of gain or loss recognized by such owner upon redemption, sale, or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price plus the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Bond.

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

NOT Qualified Tax-Exempt Obligations

The Bonds are NOT "qualified tax-exempt obligations" for financial institutions.

CONTINUING DISCLOSURE OF INFORMATION

In the Bond Resolutions, the Master District has the following agreement for the benefit of the holders and beneficial owners of the Bonds. The Master 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 Master District will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified material events, to certain information to the Municipal Securities Rulemaking Board ("MSRB"). The MSRB established the Electronic Municipal Market Access ("EMMA") system.

Pursuant to separate resolutions, each Participant, as an obligated person, has agreed annually to furnish the Master District with a copy of its audited financial statements, an update to certain financial information and operating data, and such other information the Master District may require to comply with Rule 15c2-12 ("Rule") of the United States Securities and Exchange Commission ("SEC"). Each Participant also is required to provide the Master District with timely notice of specified events.

Annual Reports

The Master District will provide certain financial information and operating data annually to the MSRB. The financial information and operating data which will be provided with respect to the Master District includes all quantitative financial information and operating data of the general type included in this OFFICIAL STATEMENT under the headings "MASTER DISTRICT DEBT" (except under the subheading "Estimated Direct and Overlapping Debt Statement"), "TAX DATA," "APPENDIX A – Certain Financial Information Regarding the Participants," and "APPENDIX B – Financial Statements of the Participants." The Master District will update and provide this information to the MSRB within six months after the end of each of its fiscal years ending in or after 2025.

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

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

Event Notices

The Master 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 10 business days after the occurrence of an event. The Master 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 Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of beneficial owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the Master District or other obligated person; (13) consummation of a merger, consolidation, or acquisition involving the Master District or other obligated person or the sale of all or substantially all of the assets of the Master District or other obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of 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 Master District or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Master District or other obligated person, any of which affect Beneficial Owners of the Bonds, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Master District or other obligated person, any of which reflect financial difficulties. The terms "obligated person" and "financial obligations" when used in this paragraph shall have the meanings ascribed to them under the Rule. The term "material" when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Resolutions make any provision for debt service reserves or liquidity enhancement. In addition, the Master District will provide timely notice of any failure by the Master District to provide information, data, or financial statements in accordance with its agreement discussed under "CONTINUING DISCLOSURE OF INFORMATION – Annual Reports."

Availability of Information from EMMA

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

Limitations and Amendments

The Master District has agreed to update information and to provide notices of material events only as described above. The Master District has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results, operations, conditions, or prospects or to update any information that is provided, except as described above. The Master 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 Master District disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although registered owners and beneficial owners of the Bonds may seek a writ of mandamus to compel the Master District to comply with its agreement.

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

To date, the Master District has complied in all material respects with all its prior continuing disclosure agreements made in accordance with the Rule.

OFFICIAL STATEMENT

General

The information contained herein has been obtained primarily from the Master District's records, the Master District Engineer, the Developers, the Tax Assessor/Collector, and other sources believed to be reliable; however, no representation is made as to the accuracy or completeness of the information contained herein, except as described below. All of the summaries of the statutes, resolutions, orders, contracts, audits, and engineering and other related reports set forth herein 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 for further information.

The Master District's financial statements for the fiscal year ended September 30, 2024, were audited by the Auditor and are attached hereto as "APPENDIX B – FINANCIAL STATEMENTS OF THE PARTICIPANTS." The Auditor has consented to the publication of such financial statements herein.

Experts

The information contained in the Official Statement relating to engineering and to the description of Master District Facilities, and, in particular, that engineering information included under "THE MASTER DISTRICT – Status of Development Within the Service Area" and "MASTER DISTRICT FACILITIES," has been provided by the Master District Engineer and has been included herein in reliance upon the authority of said firm as experts in the field of civil engineering.

The information contained in this Official Statement relating to development and the status of development within the Master District generally and, in particular, the information under "THE MASTER DISTRICT – Status of Development Within the Service Area" and "DESCRIPTION OF THE DEVELOPERS – Principal Landowner/Developers," has been provided by the Developers and has been included herein in reliance upon their authority and knowledge of such party concerning the matters described therein.

The information contained in this Official Statement relating to the Participants' financial statements, in particular the information under "APPENDIX B – FINANCIAL STATEMENTS OF THE PARTICIPANTS," has been provide by the Auditor and has been included herein in reliance upon their authority and knowledge of such party concerning the matters described therein.

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

Certification as to Official Statement

The Master District, acting by and through its Board in its official capacity and in reliance upon the experts listed above, hereby certifies, as of the date hereof, that to the best of its knowledge and belief, the information, statements, and descriptions pertaining to the Master 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 Master District, including particularly other governmental entities, have been obtained from sources believed to be reliable, but the Master District has made no independent investigation or verification of such matters and makes no representation as to the accuracy or completeness thereof.

Updating of Official Statement

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

CONCLUDING STATEMENT

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

This Official Statement was approved by the Board of Directors of Fort Bend County Municipal Utility District No. 214 as of the date shown on the cover of this Official Statement.

/s/ Roshell Arterburn
President, Board of Directors
Fort Bend County Municipal Utility District No. 214

ATTEST:

/s/ Kimberly Koehn
Assistant Secretary, Board of Directors
Fort Bend County Municipal Utility District No. 214

APPENDIX A

CERTAIN FINANCIAL INFORMATION REGARDING THE PARTICIPANTS

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 195

Voter Authorized Unlimited Tax Water, Sewer, and Drainage Bonds	$	94,800,000
Voter Authorized Unlimited Tax Water, Sewer, and Drainage Refunding Bonds	$	28,440,000
Voter Authorized Unlimited Tax Road Bonds	$	64,500,000
Voter Authorized Unlimited Tax Road Refunding Bonds	$	19,350,000
Voter Authorized Unlimited Tax Park Bonds	$	70,750,000
Voter Authorized Unlimited Tax Park Refunding Bonds	$	21,225,000
Total Principal Amount of Unlimited Tax Bonds Issued	$	-
Debt Service Tax Limitation (per $100 of Assessed Valuation)		Unlimited
Maintenance and Operations Tax Limitation (per $100 of Assessed Valuation)		$ 1.500
Maintenance and Operations Tax for Road Facilities Limitation (per $100 of Assessed Valuation)		$ 0.250
Contract Tax Limitation		Unlimited
Gross Outstanding Direct Debt	$	-
2024 Gross Certified Assessed Valuation	$	52,235,375
Estimated Gross Assessed Valuation as of December 1, 2024	$	70,140,171
2024 Gross Certified Assessed Valuation as a Percentage of the:		
2024 Gross Certified Assessed Valuation of the Participants		20.13 %
Estimated Gross Assessed Valuation of the Participants as of December 1, 2024		19.10 %
Average Annual Debt Service Requirement on the Outstanding Bonds and the Bonds ($1,732,836) (2025-2050):		
Pro Rata Share Based on the 2024 Gross Certified Assessed Valuation	$	348,884
Pro Rata Share Based on the Estimated Gross Valuation as of December 1, 2024	$	330,917
Maximum Annual Debt Service Requirement on the Outstanding Bonds and the Bonds ($1,840,013) (2050):		
Pro Rata Share Based on the 2024 Gross Certified Assessed Valuation	$	370,462
Pro Rata Share Based on the Estimated Gross Valuation as of December 1, 2024	$	351,385
Tax Rate Required to Pay Pro Rata Share of the Outstanding Bonds and the Bonds Based Upon the 2024 Certified Gross Assessed Valuation at 95% Collections:		
Average Annual Debt Service Requirement		$ 0.71
Maximum Annual Debt Service Requirement		$ 0.75
Tax Rate Required to Pay Pro Rata Share of the Outstanding Bonds and the Bonds Based Upon the Estimated Gross Assessed Valuation as of December 1, 2024, at 95% Collections:		
Average Annual Debt Service Requirement		$ 0.50
Maximum Annual Debt Service Requirement		$ 0.53
Status of Single-Family Development as of January 9, 2025:		
Approximate Total Developed Acreage		70
Single-Family Homes		92
Total Developed Lots		203

Principal Taxpayers

The following represents the principal taxpayers on FBMUD 195's 2024 tax roll, as certified by the Appraisal District.

Taxpayer	Gross Certified Assessed Valuation 2024 Tax Roll	Percentage of Gross Certified Assessed Valuation
M/I Homes of Houston LLC	11,173,327	21.39%
Charles and Melinda Rimer LLC	2,143,038	4.10%
CC Forever Home Realty LP	398,961	0.76%
HOMEOWNER	396,239	0.76%
HOMEOWNER	386,838	0.74%
HOMEOWNER	382,372	0.73%
HOMEOWNER	378,575	0.72%
HOMEOWNER	374,165	0.72%
HOMEOWNER	367,640	0.70%
HOMEOWNER	352,077	0.67%
Total	$ 16,353,232	31.31%
Percent of Respective Tax Roll (a)		31.31%

(a) Based on FBMUD 195's total taxable assessed valuation as of December 1, 2024.

(b) See "DESCRIPTION OF THE DEVELOPERS."

(c) See "THE MASTER DISTRICT – Homebuilders Active Within the Service Area."

Historical Tax Collections

The following represents the historical tax collections for FBMUD 195's 2021-2024 tax years.

Tax Year	Assessed Valuation	Tax Rate (a)	Adjusted Levy	Collections Current Year	Current Year Ended 09/30	Collections 12/31/2025
2021	$ 1,843,792	1.50	$ 27,657	100.00 %	2022	100.00 %
2022	6,541,130	1.50	98,117	100.00 %	2023	100.00 %
2023	8,918,850	1.50	133,783	98.93 %	2024	100.00 %
2024	23,688,058	1.50	355,321	(b)	2025	(b)

(a) Total tax rate per $100 of assessed valuation for each respective tax year.

(b) In process of collections.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 198

Voter Authorized Unlimited Tax Water, Sewer, and Drainage Bonds (and Refunding)	$	206,030,500
Voter Authorized Unlimited Tax Road Bonds (and Refunding)	$	68,445,000
Voter Authorized Unlimited Tax Park Bonds (and Refunding)	$	30,693,000
Total Principal Amount of Unlimited Tax Bonds Issued	$	14,560,000
Debt Service Tax Limitation (per $100 of Assessed Valuation)		Unlimited
Maintenance and Operations Tax Limitation (per $100 of Assessed Valuation)		$ 1.500
Maintenance and Operations Tax for Road Facilities Limitation (per $100 of Assessed Valuation)		$ 0.250
Contract Tax Limitation		Unlimited
Gross Outstanding Direct Debt	$	14,560,000
2024 Gross Certified Assessed Valuation	$	195,841,479
Estimated Gross Assessed Valuation as of December 1, 2024	$	285,780,268
2024 Gross Certified Assessed Valuation as a Percentage of the:		
2024 Gross Certified Assessed Valuation of the Participants		75.49 %
Estimated Gross Assessed Valuation of the Participants as of December 1, 2024		77.81 %
Average Annual Debt Service Requirement on the Outstanding Bonds and the Bonds ($1,732,836) (2025-2050):		
Pro Rata Share Based on the 2024 Gross Certified Assessed Valuation	$	1,308,038
Pro Rata Share Based on the Estimated Gross Valuation as of December 1, 2024	$	1,348,295
Maximum Annual Debt Service Requirement on the Outstanding Bonds and the Bonds ($1,840,013) (2050):		
Pro Rata Share Based on the 2024 Gross Certified Assessed Valuation	$	1,388,941
Pro Rata Share Based on the Estimated Gross Valuation as of December 1, 2024	$	1,431,687
Tax Rate Required to Pay Pro Rata Share of the Outstanding Bonds and the Bonds Based Upon the 2024 Certified Gross Assessed Valuation at 95% Collections:		
Average Annual Debt Service Requirement		$ 0.71
Maximum Annual Debt Service Requirement		$ 0.75
Tax Rate Required to Pay Pro Rata Share of the Outstanding Bonds and the Bonds Based Upon the Estimated Gross Assessed Valuation as of December 1, 2024, at 95% Collections:		
Average Annual Debt Service Requirement		$ 0.50
Maximum Annual Debt Service Requirement		$ 0.53
Status of Single-Family Development as of January 9, 2025:		
Approximate Total Developed Acreage		274
Single-Family Homes		571
Total Developed Lots		866

Historical Tax Collections

The following represents the historical tax collections for the District's 2021-2024 tax years.

Tax Year	Assessed Valuation	Tax Rate (a)	Adjusted Levy	Collections Current Year	Fiscal Year Ending	Collections as of 11/30/2024
2021	$ 12,474,110	$ 1.500000	$ 187,112	100.00%	2022	100.00%
2022	34,183,687	1.500000	512,755	100.00%	2023	100.00%
2023	67,062,252	1.500000	1,005,934	99.52%	2024	100.00%
2024	195,581,320	1.500000	2,933,720	(b)	2025	(b)

(a) Total tax rate per $100 of assessed valuation. See "TAX DATA – Tax Rate Distribution."

(b) In process of collections.

Principal Taxpayers

The following represents the principal taxpayers on FBMUD 198's 2024 tax roll, as certified by the Appraisal District.

Taxpayer	Gross Certified Assessed Valuation 2024 Tax Roll	Percentage of 2024 Gross Certified Assessed Valuation
CCR WEST INC	17,756,277	9.07%
PERRY HOMES LLC	5,875,324	3.00%
WESTIN HOMES & PROPERTIES LP	3,693,221	1.89%
NEWMARK HOMES HOUSTON LLC	3,050,101	1.56%
WESTIN HOMES AND PROPERTIES LP	2,749,832	1.40%
HIGHLAND HOMES-HOUSTON LLC	2,455,000	1.25%
LENNAR HOMES OF TEXAS LAND AND CONSTRUCTION LTD	2,208,000	1.13%
HIGHLAND HOMES HOUSTON LLC	1,537,168	0.78%
CROSS CREEK RANCH COMMUNITY ASSOCIATION INC	1,394,782	0.71%
LENNAR HOMES OF TEXAS LAND & CONSTRUCTION LTD	1,218,009	0.62%
Total	$ 41,937,714	21.41%
Percentage of 2024 Tax Roll		21.41%

(a) See "DESCRIPTION OF THE DEVELOPERS."
(b) See "THE MASTER DISTRICT – Homebuilders Active Within the Service Area."

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 214

Voter Authorized Unlimited Tax Water, Sewer, and Drainage Bonds	$	115,330,000
Voter Authorized Unlimited Tax Water, Sewer, and Drainage Refunding Bonds	$	115,330,000
Voter Authorized Unlimited Tax Road Bonds	$	51,860,000
Voter Authorized Unlimited Tax Road Refunding Bonds	$	51,860,000
Voter Authorized Unlimited Tax Park Bonds	$	57,290,000
Voter Authorized Unlimited Tax Park Refunding Bonds	$	57,290,000
Total Principal Amount of Unlimited Tax Bonds Issued	$	–
Debt Service Tax Limitation (per $100 of Assessed Valuation)		Unlimited
Maintenance and Operations Tax Limitation (per $100 of Assessed Valuation)		$ 1.500
Maintenance and Operations Tax for Road Facilities Limitation (per $100 of Assessed Valuation)		$ 0.250
Contract Tax Limitation		Unlimited
Gross Outstanding Direct Debt	$	–
2024 Gross Certified Assessed Valuation	$	11,366,023
2024 Gross Certified Assessed Valuation as a Percentage of the:		
2024 Gross Certified Assessed Valuation of the Participants		4.38%
Estimated Gross Assessed Valuation of the Participants as of December 1, 2024		3.09%
Average Annual Debt Service Requirement on and the Bonds ($1,773,203) (2025-2050):		
Pro Rata Share Based on the 2024 Gross Certified Assessed Valuation	$	75,914
Pro Rata Share Based on the Estimated Gross Valuation as of December 1, 2024	$	53,624
Maximum Annual Debt Service Requirement on and the Bonds ($1,840,013) (2050):		
Pro Rata Share Based on the 2024 Gross Certified Assessed Valuation	$	80,610
Pro Rata Share Based on the Estimated Gross Valuation as of December 1, 2024	$	56,941
Tax Rate Required to Pay Pro Rata Share of the Outstanding Bonds and the Bonds Based Upon the 2024 Certified Gross Assessed Valuation at 95% Collections:		
Average Annual Debt Service Requirement		$ 0.71
Maximum Annual Debt Service Requirement		$ 0.75
Tax Rate Required to Pay Pro Rata Share of the Outstanding Bonds and the Bonds Based Upon the Estimated Gross Assessed Valuation as of December 1, 2024, at 95% Collections:		
Average Annual Debt Service Requirement		$ 0.50
Maximum Annual Debt Service Requirement		$ 0.53

Principal Taxpayers

The following represents the principal taxpayers on FBMUD 214's 2024 tax roll, as certified by the Appraisal District.

Taxpayer	Type of Property	Gross Assessed Valuation 2024 Tax Roll	Percentage of 2024 Gross Certified Assessed Valuation
FULSHEAR FF TEXAS HOLDINGS LP (a)	Land	10,790,133	94.93%
ENTERPRISE CRUDE PIPELINE LP	Land	500,490	4.40%
CCR WEST INC	Land	47,015	0.41%
HOMEOWNER	Land	23,594	0.21%
HOMEOWNER	Land	1,194	0.01%
HOMEOWNER	Land	1,000	0.01%
HOMEOWNER	Land	1,000	0.01%
HOMEOWNER	Land	1,000	0.01%
		597	4.40%
Total		$ 11,366,023	99.99%
Percentage of 2024 Tax Roll			99.99%

(a) See "DESCRIPTION OF THE DEVELOPERS."

APPENDIX B

FINANCIAL STATEMENTS OF THE PARTICIPANTS

- **2024 Audit for Fort Bend County Municipal Utility District No. 195**
- **2024 Audit for Fort Bend County Municipal Utility District No. 198**
- **2024 Audit for Fort Bend County Municipal Utility District No. 214**

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 195

FORT BEND COUNTY, TEXAS

FINANCIAL REPORT

September 30, 2024

Table of Contents

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

Independent Auditor's Report

Board of Directors
Fort Bend County Municipal Utility District No. 195
Fort Bend County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and General Fund of Fort Bend County Municipal Utility District No. 195 (the "District"), as of and for the year ended September 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and General Fund of Fort Bend County Municipal Utility District No. 195, as of September 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Texas Supplementary Information schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Texas Supplementary Information schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

McGrath & Co, PLLC

Houston, Texas
January 10, 2025

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Management's Discussion and Analysis

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Using this Annual Report

Within this section of the financial report of Fort Bend County Municipal Utility District No. 195 (the "District"), the District's Board of Directors provides a narrative discussion and analysis of the financial activities of the District for the fiscal year ended September 30, 2024. This analysis should be read in conjunction with the independent auditor's report and the basic financial statements that follow this section.

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

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

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

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

Financial Analysis of the District as a Whole

The District's net position at September 30, 2024, was negative $279,994. This amount is negative because the District has relied on advances from its developer to fund operating costs. A comparative summary of the District's overall financial position, as of September 30, 2024 and 2023, is as follows:

	2024	2023
Current and other assets	$ 137,294	$ 140,502
Capital assets	3,051,893	3,118,635
Total assets	3,189,187	3,259,137
Current liabilities	80,804	34,857
Long-term liabilities	3,388,377	3,388,377
Total liabilities	3,469,181	3,423,234
Net position		
Net investment in capital assets	(133,484)	(66,742)
Unrestricted	(146,510)	(97,355)
Total net position	$ (279,994)	$ (164,097)

The total net position of the District decreased during the current fiscal year by $115,897. A comparative summary of the District's *Statement of Activities* for the past two years is as follows:

	2024	2023
Revenues		
Water and sewer service	$ 56,938	$ 10,157
Property taxes, penalties and interest	110,349	124,972
Other	253,955	172,165
Total revenues	421,242	307,294
Expenses		
Current service operations	470,397	236,076
Depreciation	66,742	66,742
Total expenses	537,139	302,818
Change in net position	(115,897)	4,476
Net position, beginning of year	(164,097)	(168,573)
Net position, end of year	$ (279,994)	$ (164,097)

Financial Analysis of the District's General Fund

Fund balance in the District's General Fund, as of September 30, 2024, was $54,766. A comparative summary of the General Fund's financial position as of September 30, 2024 and 2023, is as follows:

	2024	2023
Total assets	$ 137,294	$ 140,502
Total liabilities	$ 80,804	$ 34,857
Total deferred inflows	1,724	25,524
Total fund balance	54,766	80,121
Total liabilities, deferred inflows and fund balance	$ 137,294	$ 140,502

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

	2024	2023
Total revenues	$ 445,042	$ 281,770
Total expenditures	(470,397)	(236,076)
Revenues over/(under) expenditures	(25,355)	45,694
Other changes in fund balance		40,000
Net change in fund balance	$ (25,355)	$ 85,694

The District manages its activities with the objectives of ensuring that expenditures will be adequately covered by revenues each year and that an adequate fund balance is maintained. The District's primary financial resources in the General Fund are from a property tax levy, the provision of water and sewer services to customers within the District, tap connection fees charged to homebuilders in the District and developer advances. Financial resources are influenced by a variety of factors each year:

- Property tax revenues are dependent upon assessed values in the District and the maintenance tax rate set by the District. Property tax revenues increased from prior year because assessed values increased from prior year.
- Water, sewer and regional water authority fee revenues are dependent upon customer usage, which fluctuates from year to year as a result of factors beyond the District's control.
- Tap connection fees fluctuate with homebuilding activity within the District.

General Fund Budgetary Highlights

The Board of Directors adopts an annual unappropriated budget for the General Fund prior to the beginning of each fiscal year. The Board amended the budget during the year to reflect changes in anticipated revenues.

Since the District's budget is primarily a planning tool, actual results varied from the budgeted amounts. Actual net change in fund balance was $435,458 less than budgeted. The *Budgetary Comparison Schedule* on page 28 of this report provides variance information per financial statement line item.

Capital Assets

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

Capital assets held by the District at September 30, 2024 and 2023, are summarized as follows:

	2024	2023
Capital assets not being depreciated		
Land and improvements	$ 181,978	$ 181,978
Capital assets being depreciated		
Infrastructure	3,003,399	3,003,399
Less accumulated depreciation	(133,484)	(66,742)
Depreciable capital assets, net	2,869,915	2,936,657
Capital assets, net	$ 3,051,893	$ 3,118,635

Long-Term Debt and Related Liabilities

As of September 30, 2024, the District owes approximately $3,388,377 to the developers for completed projects and operating advances. The initial cost of the completed project and related liability is estimated based on actual construction costs plus 10-15% for engineering and other fees and is recorded on the District's financial statements upon completion of construction. As discussed in Note 6, the District has an additional commitment in the amount of $5,585,523 for projects under construction by the developers. As noted, the District will owe its developers for these projects upon completion of construction. The District intends to reimburse the developers from proceeds of future bond issues or other lawfully available funds. The estimated cost of amounts owed to the developers is trued up when the developers are reimbursed.

At September 30, 2024, the District had $94,800,000 unlimited tax bonds authorized, but unissued for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage systems within the District and $28,440,000 for the refunding of such bonds; $70,750,000 for parks and recreational facilities and $21,225,000 for the refunding of such bonds; and $64,500,000 for road improvements and $19,350,000 refunding of such bonds.

Next Year's Budget

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

	2024 Actual	2025 Budget
Total revenues	$ 445,042	$ 775,494
Total expenditures	(470,397)	(648,875)
Revenues over/(under) expenditures	(25,355)	126,619
Beginning fund balance	80,121	54,766
Ending fund balance	$ 54,766	$ 181,385

Property Taxes

The District's property tax base increased approximately $14,771,000 for the 2024 tax year from $8,918,850 to $23,690,187. This increase was primarily due to new construction in the District and increased property values. For the 2024 tax year, the District has levied a maintenance tax rate of $1.50 per $100 of assessed value. This is the same rate levied for the 2023 tax year.

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Basic Financial Statements

Fort Bend County Municipal Utility District No. 195
Statement of Net Position and Governmental Funds Balance Sheet
September 30, 2024

	General Fund	Adjustments	Statement of Net Position
Assets			
Cash	$ 121,643	$ -	$ 121,643
Taxes receivable	1,724		1,724
Customer service receivables	13,927		13,927
Capital assets not being depreciated		181,978	181,978
Capital assets, net		2,869,915	2,869,915
Total Assets	$ 137,294	3,051,893	3,189,187
Liabilities			
Accounts payable	$ 60,395		60,395
Other payables	209		209
Customer deposits	5,500		5,500
Unearned revenue	14,700		14,700
Due to developers		3,388,377	3,388,377
Total Liabilities	80,804	3,388,377	3,469,181
Deferred Inflows of Resources			
Deferred property taxes	1,724	(1,724)	
Fund Balances/Net Position			
Fund Balances			
Unassigned	54,766	(54,766)	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 137,294		
Net Position			
Net investment in capital assets		(133,484)	(133,484)
Unrestricted		(146,510)	(146,510)
Total Net Position		$ (279,994)	$ (279,994)

See notes to basic financial statements.

Fort Bend County Municipal Utility District No. 195
Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances
For the Year Ended September 30, 2024

	General Fund	Adjustments	Statement of Activities
Revenues			
Water service	$ 24,788	$ -	$ 24,788
Sewer service	32,150		32,150
Property taxes	131,741	(21,445)	110,296
Penalties and interest	2,408	(2,355)	53
Regional water authority fees	55,556		55,556
Tap connection and inspection	191,905		191,905
Miscellaneous	6,245		6,245
Investment earnings	249		249
Total Revenues	445,042	(23,800)	421,242
Expenditures/Expenses			
Current service operations			
Purchased services	202,106		202,106
Professional fees	96,762		96,762
Contracted services	87,508		87,508
Repairs and maintenance	46,382		46,382
Administrative	32,139		32,139
Other	5,500		5,500
Depreciation		66,742	66,742
Total Expenditures/Expenses	470,397	66,742	537,139
Revenues Under Expenditures	(25,355)	(90,542)	(115,897)
Fund Balance/Net Position			
Beginning of the year	80,121	(244,218)	(164,097)
End of the year	$ 54,766	$ (334,760)	$ (279,994)

See notes to basic financial statements.

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Note 1 – Summary of Significant Accounting Policies

The accounting policies of Fort Bend County Municipal Utility District No. 195 (the "District") conform with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board ("GASB"). The following is a summary of the most significant policies:

Creation

The District was organized, created and established pursuant to an order of the Texas Commission on Environmental Quality, dated October 20, 2008, and operates in accordance with the Texas Water Code, Chapters 49 and 54, as amended. The Board of Directors held its first meeting on September 30, 2014.

The District's primary activities include construction, maintenance and operation of water, sewer, drainage, road and parks and recreational facilities. The District has contracted with various consultants to provide services to operate and administer the affairs of the District. The District has no employees, related payroll or pension costs.

Reporting Entity

The District is a political subdivision of the State of Texas governed by an elected five-member board. The GASB has established the criteria for determining the reporting entity for financial statement reporting purposes. To qualify as a primary government, a government must have a separately elected governing body, be legally separate, and be fiscally independent of other state and local governments, while a component unit is a legally separate government for which the elected officials of a primary government are financially accountable. Fiscal independence implies that the government has the authority to adopt a budget, levy taxes, set rates, and/or issue bonds without approval from other governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District's financial statements as component units.

Government-Wide and Fund Financial Statements

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

Fund financial statements display information at the individual fund level. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for a specific purpose. Each fund is considered to be a separate accounting entity. The District uses only a General Fund to account for its operations. The District's principal financial resources are property taxes, water and sewer service fees, tap connection fees and developer advances. Expenditures include costs associated with daily operations of the District.

Note 1 – Summary of Significant Accounting Policies (continued)

Government-Wide and Fund Financial Statements (continued)

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

Measurement Focus and Basis of Accounting

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

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

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

Use of Restricted Resources

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

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Receivables from and payables to external parties are reported separately and are not offset, unless a legal right of offset exists. At September 30, 2024, an allowance for uncollectible accounts was not considered necessary.

Unbilled Service Revenues

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

Note 1 – Summary of Significant Accounting Policies (continued)

Capital Assets

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

Depreciable capital assets, which primarily consist of water, wastewater and drainage facilities, are depreciated using the straight-line method over an estimated useful life of 45 years.

Deferred Inflows and Outflows of Financial Resources

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

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

Net Position – Governmental Activities

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

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

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

Unrestricted – resources not included in the other components.

Note 1 – Summary of Significant Accounting Policies (continued)

Fund Balances – Governmental Funds

Governmental accounting standards establish the following fund balance classifications:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The District does not have any nonspendable fund balances.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. The District does not have any restricted fund balances.

Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The District does not have any committed fund balances.

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

Unassigned - all other spendable amounts in the General Fund.

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

Use of Estimates

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

Note 2 – Adjustment from Governmental to Government-wide Basis

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

Total fund balance, governmental funds		$ 54,766
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
Historical cost	$ 3,185,377	
Less accumulated depreciation	(133,484)	
Change due to capital assets		3,051,893
Amounts due to the District's developers for prefunded construction and operating advances are recorded as a liability in the *Statement of Net Position.*		(3,388,377)
Property taxes receivable and related penalties and interest have been levied and are due, but are not available soon enough to pay current period expenditures and, therefore, are deferred in the funds.		1,724
Total net position - governmental activities		$ (279,994)

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

Net change in fund balances - total governmental funds	$ (25,355)
Governmental funds do not report revenues that are not available to pay current obligations. In contrast, such revenues are reported in the *Statement of Activities* when earned. The difference is for property taxes and related penalties and interest.	(23,800)
In the *Statement of Activities,* the cost of capital assets is charged to depreciation expense over the estimated useful life of the asset.	(66,742)
Change in net position of governmental activities	$ (115,897)

Note 3 – Implementation of New Accounting Guidance

During the current fiscal year, the District implemented GASB Implementation Guide ("GASBIG") 2021-1, Question 5.1, which requires the capitalization of the acquisition of a group of individual capital assets whose individual acquisition costs are less than the capitalization threshold when the cost of the acquisition of the assets in the aggregate is significant. Under this new guidance, the District's acquisition of water meters that exceeds the capitalization threshold in the aggregate should be recorded as Capital outlays instead of Contracted services in the *Statement of Revenues, Expenditures and Changes in Fund Balances*. On the government wide statements, the acquisition of water meters should not be recorded as an expense on the *Statement of Activities* but should be recorded as capital assets on the *Statement of Net Position.*

Note 4 – Deposits and Investments

Deposit Custodial Credit Risk

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

Investments

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

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

Note 5 – Capital Assets

A summary of changes in capital assets, for the year ended September 30, 2024, is as follows:

	Beginning Balances	Additions	Ending Balances
Capital assets not being depreciated			
Land and improvements	$ 181,978	$ -	$ 181,978
Capital assets being depreciated			
Infrastructure	3,003,399		3,003,399
Less accumulated depreciation	(66,742)	(66,742)	(133,484)
Subtotal depreciable capital assets, net	2,936,657	(66,742)	2,869,915
Capital assets, net	$ 3,118,635	$ (66,742)	$ 3,051,893

Depreciation expense for the current fiscal year was $66,742.

Note 6 – Due to Developers

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

The amount due to developer at September 30, 2024, is approximately $3,388,377. There was no change in this liability from the prior year.

In addition, the District will owe the developers approximately $5,585,523, which is included in the following schedule of contractual commitments. The exact amount is not known until approved by the TCEQ and verified by the District's auditor. As previously noted, these projects will be reported in the government-wide financial statements upon completion of construction.

	Contract Amount	Percent Complete
Utilities to serve Summerview Section 2	$ 1,450,235	84%
Summerview Detention, Phase 2	2,514,849	84%
Lift station no. 1	791,527	82%
Utilities to serve Summerview Section 4	828,912	78%
	$ 5,585,523	

Note 7 – Long-Term Debt

At September 30, 2024, the District had authorized but unissued bonds in the amount of $94,800,000 for water, sanitary sewer and drainage systems within the District and $28,440,000 for the refunding of such bonds; $70,750,000 for park and recreational facilities and $21,225,000 for the refunding of such bonds; and $64,500,000 for road improvements and $19,350,000 for the refunding of such bonds.

Note 8 – Property Taxes

On November 2, 2021, the voters of the District authorized the District's Board of Directors to levy taxes annually for use in financing general operations limited to $1.50 per $100 of assessed value and a road maintenance tax limited to $0.25 per $100 of assessed value.

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

Property taxes are collected based on rates adopted in the year of the levy. The District's 2024 fiscal year was financed through the 2023 tax levy, pursuant to which the District levied property taxes of $1.50 per $100 of assessed value, all of which was allocated to maintenance and operations. The resulting tax levy was $133,782 on the adjusted taxable value of $8,918,850.

Property taxes receivable, at September 30, 2024, consisted of the following:

Current year taxes receivable	$ 1,436
Penalty and interest receivable	288
Property taxes receivable	$ 1,724

Note 9 – Master District

On January 7, 2022, the District entered into a contract (the "Contract") with Fort Bend County Municipal Utility District No. 214 (the "Master District") whereby the Master District agrees to provide or cause to be provided the regional water supply and distribution facilities and the wastewater collection, treatment and disposal facilities necessary to serve all districts located within the Master District's service area.

The Contract authorizes the establishment of an operating and maintenance reserve by the Master District equivalent to three months' operating and maintenance expenses, as set forth in the Master District's annual budget. Prior to commencement of services, the Master District shall bill the District an amount calculated by multiplying the monthly fee (as defined below) by three in order to provide the initial funding required to establish the reserve. The Master District shall adjust the reserve as needed, not less than annually.

Note 9 – Master District Continued)

Upon commencement of services, the Master District will charge each participating district a monthly fee based on the unit cost per connection multiplied by the number of equivalent single-family connections reserved to the District. As of September 30, 2024, the monthly fee was $191 per equivalent single-family connection. During the current year, the District recognized $202,106 in expenditures for waters supply and wastewater treatment services.

Renewal and Replacement

On July 18, 2022, the District entered into an Interlocal Agreement for Renewal and Replacement Fee with the Master District for the purpose of accumulating funds for future renewal and replacement repairs to Master District facilities. The Master District will create and establish a Renewal and Replacement Fund (the "Fund"), which shall be accounted for separately and which moneys in the Fund may only be used for renewal and replacement costs of Master District Facilities, at the Master District's sole discretion. The initial fee will be $0.25 per 1,000 gallons of water purchased by customers within the District, however in no event will the Master District charge more than $1.50 per 1,000 gallons without written approval of the District. This fee will continue for forty years from the effective date and will remain until either Party is annexed and dissolved by the City of Fulshear.

Master District Debt Service

The Master District is authorized to issue bonds for the purpose of acquiring and constructing facilities needed to provide services to all participating districts. The District shall contribute to the payment of debt service requirements based on its pro rata share of the total certified assessed valuation of all participating districts.

As of September 30, 2024, the Master District has $12,715,000 contract revenue bonds outstanding. The Master District's debt service requirements on contract revenue bonds outstanding are as follows:

Year	Principal	Interest	Total
2025	$ -	$ 552,078	$ 552,078
2026		564,625	564,625
2027	280,000	555,526	835,526
2028	290,000	537,000	827,000
2029	300,000	517,826	817,826
2030 - 2034	1,750,000	2,282,817	4,032,817
2035 - 2039	2,190,000	1,846,545	4,036,545
2040 - 2044	2,775,000	1,352,245	4,127,245
2045 - 2049	3,490,000	721,413	4,211,413
2050 - 2051	1,640,000	70,547	1,710,547
	$ 12,715,000	$ 9,000,622	$ 21,715,622

Note 10 – Regional Water Authority

A portion of the Master District's service area, including the entirety of the District, is located within the boundaries of the West Fort Bend Water Authority ("WFBWA") and a portion of the Master District's service area, not including the District, is located within the boundaries of the North Fort Bend Water Authority ("NFBWA"). Both the WFBWA and the NFBWA were created by the Texas Legislature and are political subdivisions of the State of Texas created to provide a regional entity to acquire surface water and build the necessary facilities to convert from groundwater to surface water in order to meet conversion requirements mandated by the Harris-Galveston Subsidence District, which regulates groundwater withdrawal.

The Master District's water plant is located within the boundaries of the WFBWA, which has not yet been activated and does not currently assess a fee for groundwater pumped within its boundaries. However, during the current fiscal year, the NFBWA assessed a fee for groundwater pumped from the Master District's water plant and imported into the NFBWA's boundaries.

On March 8, 2024, the District amended its rate order to assess a regional water authority fee of $5.00 per 1,000 gallons of water. During the fiscal year, the District recognized $55,556 in revenues for regional water authority fees. The District remits payment to the Master District for pumpage fees collected pursuant to its Rate Order.

Note 11 – Cost Sharing Agreement

On November 12, 2021, the District and Fort Bend County Municipal Utility District No. 198 ("MUD 198") entered into a Cost Sharing Agreement for Water and Sanitary Sewer Facilities (the "Agreement") for the purpose of acquiring, constructing, and operating water supply and sanitary sewer facilities (the "Facilities") to serve both districts. Each district is responsible for their pro-rata share of costs based on their projected share of capacity. During the previous fiscal year, MUD 198 transferred ownership and maintenance of the facilities to the Master District.

Note 12 – Risk Management

The District is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and personal injuries. The risk of loss is covered by commercial insurance. There have been no significant reductions in insurance coverage from the prior year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Note 13 – Economic Dependency

The developers continue to own a substantial portion of the taxable property within the District. The developers' willingness to make future operating advances and/or to pay property taxes will directly affect the District's ability to meet its future obligations.

Required Supplementary Information

Fort Bend County Municipal Utility District No. 195
Required Supplementary Information - Budgetary Comparison Schedule - General Fund
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Water service	$ 40,951	$ 2,500	$ 24,788	$ 22,288
Sewer service	40,951	2,500	32,150	29,650
Property taxes	95,000	300,000	131,741	(168,259)
Penalties and interest			2,408	2,408
Tap connection and inspection	272,160	737,280	191,905	(545,375)
Regional water authority fees	60,826	5,000	55,556	50,556
Miscellaneous			6,245	6,245
Investment earnings	1,000		249	249
Total Revenues	510,888	1,047,280	445,042	(602,238)
Expenditures				
Current service operations				
Purchased services	246,730	246,730	202,106	44,624
Professional fees	160,000	160,000	96,762	63,238
Contracted services	62,999	62,999	87,508	(24,509)
Repairs and maintenance	25,000	25,000	46,382	(21,382)
Administrative	53,500	53,500	32,139	21,361
Other	10,000	10,000	5,500	4,500
Capital outlay	78,948	78,948		78,948
Total Expenditures	637,177	637,177	470,397	166,780
Revenues Over/(Under) Expenditures	(126,289)	410,103	(25,355)	(435,458)
Other Financing Sources				
Developer advances	75,000			
Net Change in Fund Balance	(51,289)	410,103	(25,355)	(435,458)
Fund Balance				
Beginning of the year	80,121	80,121	80,121	
End of the year	$ 28,832	$ 490,224	$ 54,766	$ (435,458)

Budgets and Budgetary Accounting

An annual unappropriated budget is adopted for the General Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. The budget was amended during the year to reflect changes in anticipated revenues.

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Texas Supplementary Information

Fort Bend County Municipal Utility District No. 195
TSI-1. Services and Rates
September 30, 2024

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

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

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

[ ] Other (Specify): ____________________

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	Usage Levels		
Water:	$ 26.10	10,000	N	$ 2.50	10,001	to	20,000
				$ 3.00	20,001	to	no limit
Wastewater:	$ 42.84	- 0 -	Y			to	
Groundwater Pumpage Fee	$ 5.00	- 0 -	N	$ 5.00	0	to	no limit

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

Total charges per 10,000 gallons usage: Water $ 76.10 Wastewater $ 42.84

b. Water and Wastewater Retail Connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC'S
Unmetered			x 1.0	
less than 3/4"	120	120	x 1.0	120
1"			x 2.5	
1.5"			x 5.0	
2"	2	2	x 8.0	16
3"			x 15.0	
4"			x 25.0	
6"			x 50.0	
8"			x 80.0	
10"			x 115.0	
Total Water	122	122		136
Total Wastewater	120	120	x 1.0	120

See accompanying auditor's report.

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

* Gallons purchased:	11,300,800	Water Accountability Ratio: (Gallons billed / Gallons purchased)
Gallons billed to customers:	11,300,800	100.00%

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

Does the District have Debt Service standby fees? Yes ☐ No ☒

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

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

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

5. Location of District:

Is the District located entirely within one county? Yes ☒ No ☐

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

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

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

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

Entirely ☒ Partly ☐ Not at all ☐

ETJs in which the District is located: City of Fulshear

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

If Yes, by whom? ________

* Purchased from Fort Bend County Municipal Utility District No. 214

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 195
TSI-2. General Fund Expenditures
For the Year Ended September 30, 2024

Purchased services	$ 202,106
Professional fees	
Legal	43,480
Audit	14,000
Engineering	39,282
	96,762
Contracted services	
Bookkeeping	12,575
Operator	58,686
Garbage collection	10,400
Tax assessor/collector	3,900
Central Appraisal District	1,947
	87,508
Repairs and maintenance	46,382
Administrative	
Directors fees	15,470
Printing and office supplies	5,372
Insurance	2,550
Other	8,747
	32,139
Other	5,500
Total expenditures	$ 470,397

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 195
TSI-4. Taxes Levied and Receivable
September 30, 2024

	Maintenance Taxes
Taxes Receivable, Beginning of Year	$ 22,162
Adjustments to Prior Year Tax Levy	(22,767)
Adjusted Receivable	(605)
2023 Original Tax Levy	45,077
Adjustments	88,705
Adjusted Tax Levy	133,782
Total to be accounted for	133,177
Tax collections:	
Current year	132,346
Prior year	(605)
Total Collections	131,741
Taxes Receivable, End of Year	$ 1,436
Taxes Receivable, By Years	
2023	$ 1,436

	2023	2022	2021
Property Valuations:			
Land	$ 24,351,270	$ 21,902,520	$ 21,850,410
Improvements	51,410	87,450	41,300
Exemptions	(15,483,830)	(15,448,840)	(20,047,918)
Total Property Valuations	$ 8,918,850	$ 6,541,130	$ 1,843,792
Tax Rates per $100 Valuation:			
Maintenance tax rates	$ 1.50	$ 1.50	$ 1.50
Total Tax Rates per $100 Valuation	$ 1.50	$ 1.50	$ 1.50
Adjusted Tax Levy:	$ 133,782	$ 98,117	$ 27,657
Percentage of Taxes Collected to Taxes Levied **	99%	100%	100%

* Maximum Maintenance Tax Rate Approved by Voters: $1.50 on November 2, 2021
Maximum Road Maintenance Tax Rate Approved by Voters: $0.25 on November 2, 2021

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

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 195
TSI-7a. Comparative Schedule of Revenues and Expenditures - General Fund
For the Last Four Fiscal Years

	Amounts			
	2024	2023	2022	2021**
Revenues				
Water service	$ 24,788	$ 5,766	$ -	$ -
Sewer service	32,150	4,391		
Property taxes	131,741	97,257	7,716	
Penalties and interest	2,408	2,191	672	
Regional water authority fees	55,556	21,004	26	
Tap connection and inspection	191,905	134,842		
Miscellaneous	6,245	16,170		
Investment earnings	249	149		
Total Revenues	445,042	281,770	8,414	
Expenditures				
Current service operations				
Purchased services	202,106	65,141	8,250	5,500
Professional fees	96,762	83,811	72,719	46,606
Contracted services	87,508	59,249	13,850	2,800
Repairs and maintenance	46,382	3,589		
Administrative	32,139	24,286	19,177	5,787
Other	5,500		2,164	134
Total Expenditures	470,397	236,076	116,160	60,827
Revenues Over/(Under) Expenditures	$ (25,355)	$ 45,694	$ (107,746)	$ (60,827)

*Percentage is negligible
**Unaudited
See accompanying auditors' report.

Percent of Fund Total Revenues			
2024	2023	2022	2021**
6%	2%		
7%	2%		
31%	35%	92%	
1%	1%	8%	
12%	7%	*	
44%	47%		
1%	6%		
*	*		
102%	100%	100%	-
45%	23%	98%	-
22%	30%	864%	-
20%	21%	165%	-
10%	1%		
7%	9%	228%	-
1%		26%	-
105%	84%	1381%	-
(3%)	16%	(1,281%)	-

Fort Bend County Municipal Utility District No. 195
TSI-8. Board Members, Key Personnel and Consultants
For the Year Ended September 30, 2024

Complete District Mailing Address:	3200 Southwest Freeway, Suite 2600, Houston, TX 77027	
District Business Telephone Number:	(713) 860-6400	
Submission Date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):	May 17, 2024	
Limit on Fees of Office that a Director may receive during a fiscal year: (Set by Board Resolution -- TWC Section 49.060)	$	7,200

Names:	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid *	Expense Reimburse-ments	Title at Year End
Board Members				
Carlos Quintero	5/24 - 5/28	$ 4,862	$ 1,202	President
Amanda L. Carriage	5/24 - 5/28	2,431	582	Vice President
Lori Curtis	5/24 - 5/28	4,199	501	Secretary
Cindy Anne Keefe	5/22 - 5/26	2,431	559	Assistant Secretary
Omar N. Escobar	5/22 - 5/26	1,547	380	Assistant Vice President
		Amounts Paid		
Consultants				
Allen Boone Humphries Robinson LLP	2014			Attorney
General legal fees		$ 43,070		
Si Environmental, LLC	2021	91,428		Operator
Myrtle Cruz, Inc.	2021	13,055		Bookkeeper
Assessments of the Southwest, Inc.	2021	3,600		Tax Collector
Fort Bend Central Appraisal District	Legislative	1,947		Property Valuation
Perdue, Brandon, Fielder, Collins & Mott, LLP	2022	369		Delinquent Tax Attorney
BGE, Inc.	2020	31,290		Engineer
McGrath & Co., PLLC	2022	14,000		Auditor
R.W. Baird & Co., Inc.	2021	-		Financial Advisor

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

See accompanying auditors' report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 198

FORT BEND COUNTY, TEXAS

FINANCIAL REPORT

September 30, 2024

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

Independent Auditor's Report

Board of Directors
Fort Bend County Municipal Utility District No. 198
Fort Bend County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Fort Bend County Municipal Utility District No. 198 (the "District"), as of and for the year ended September 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Fort Bend County Municipal Utility District No. 198, as of September 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. 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 3 to the financial statements, the District implemented GASB Implementation Guide 2021-1, Question 5.1 during the current fiscal year. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Texas Supplementary Information schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Texas Supplementary Information schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

McGrath & Co, PLLC

Houston, Texas
January 9, 2025

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Management's Discussion and Analysis

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Using this Annual Report

Within this section of the financial report of Fort Bend County Municipal Utility District No. 198 (the "District"), the District's Board of Directors provides a narrative discussion and analysis of the financial activities of the District for the fiscal year ended September 30, 2024. This analysis should be read in conjunction with the independent auditor's report and the basic financial statements that follow this section.

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

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

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

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

Financial Analysis of the District as a Whole

The District's net position at September 30, 2024, was negative $10,756,192. The District's net position is negative because the District incurs debt to construct roads which it conveys to Fort Bend County. A comparative summary of the District's overall financial position, as of September 30, 2024 and 2023, is as follows:

	2024	2023
Current and other assets	$ 2,734,575	$ 4,116,813
Capital assets	14,239,023	7,968,602
Total assets	16,973,598	12,085,415
Current liabilities	6,790,707	7,061,749
Long-term liabilities	20,939,083	10,486,095
Total liabilities	27,729,790	17,547,844
Net position		
Net investment in capital assets	1,610,344	(599,451)
Restricted	729,490	
Unrestricted	(13,096,026)	(4,862,978)
Total net position	$ (10,756,192)	$ (5,462,429)

During the current fiscal year, the District implemented GASB Implementation Guide ("GASBIG") 2021-1, Question 5.1, which requires the capitalization of a group of individual assets that are below the capitalization threshold when the cost of the acquisition of the assets in the aggregate is significant. In accordance with this standard, the District recognized, as infrastructure capital assets, water meters that were previously expensed in prior fiscal years, net of related accumulated depreciation, as of the beginning of the current fiscal year. Prior year data has not been restated to include values for these infrastructure assets and, as a result, the presentation of prior year data as it relates to these assets is not consistent with the current year presentation (see Notes 3 and 7)

The total net position of the District decreased during the current fiscal year by $5,568,934 A comparative summary of the District's *Statement of Activities* for the past two years is as follows:

	2024	2023
Revenues		
Property taxes, penalties and interest	$ 1,041,365	$ 730,532
Water and sewer service	425,654	186,778
Other	1,282,705	872,721
Total revenues	2,749,724	1,790,031
Expenses		
Current service operations	2,026,122	1,533,318
Debt interest	377,226	16,707
Developer interest	1,015,723	
Debt issuance costs	1,308,628	72,500
Depreciation and amortization	374,127	229,059
Total expenses	5,101,826	1,851,584
Change in net position before other item	(2,352,102)	(61,553)
Other items		
Transfers to other governments	(3,216,832)	(212,474)
Loss on assignment of lease		(35,164)
Other non-recurring gains/(losses)		236,000
Change in net position	(5,568,934)	(73,191)
Net position, beginning of year (2024 restated)	(5,187,258)	(5,389,238)
Net position, end of year	$ (10,756,192)	$ (5,462,429)

As previously noted, the District implemented GASBIG 2021-1, Question 5.1 during the current year and, as a result, has restated its beginning net position for the current fiscal year. Prior year data is not consistent with current year data due to the recognition of certain capital assets and the related accumulated depreciation at the beginning of the current fiscal year (See Notes 3 and 7).

Financial Analysis of the District's Funds

The District's combined fund balances, as of September 30, 2024, were $2,249,677, which consists of $1,026,865 in the General Fund, $791,076 in the Debt Service Fund and $431,736 in the Capital Project Fund.

General Fund

A comparative summary of the General Fund's financial position as of September 30, 2024 and 2023, is as follows:

	2024	2023
Total assets	$ 1,511,763	$ 765,464
Total liabilities	$ 479,121	$ 298,327
Total deferred inflows	5,777	18,175
Total fund balance	1,026,865	448,962
Total liabilities, deferred inflows and fund balance	$ 1,511,763	$ 765,464

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

	2024	2023
Total revenues	$ 2,740,944	$ 1,771,002
Total expenditures	(2,172,921)	(1,611,240)
Revenues over expenditures	568,023	159,762
Other changes in fund balance	9,880	54,433
Net change in fund balance	$ 577,903	$ 214,195

The District manages its activities with the objectives of ensuring that expenditures will be adequately covered by revenues each year and that an adequate fund balance is maintained. The District's primary financial resources in the General Fund are from a property tax levy, the provision of water and sewer services to customers within the District and tap connection fees charged to homebuilders in the District. Financial resources are influenced by a variety of factors each year:

- Property tax revenues are dependent upon assessed values in the District and the maintenance tax rate set by the District. Property tax revenues increased from prior year because the District's assessed values increased from prior year.
- Water, sewer and surface water revenues are dependent upon customer usage, which fluctuates from year to year as a result of factors beyond the District's control.
- Tap connection fees fluctuate with homebuilding activity within the District.

Debt Service Fund

The District issued bonded debt during the current fiscal year pursuant to a Bond Resolution adopted by the Board. As required by the Bond Resolution, a Debt Service Fund was established to account for the accumulation of financial resources restricted for debt service purposes. A summary of the financial position as of September 30, 2024 is as follows:

Total assets	$ 791,076
Total fund balance	$ 791,076

A summary of activities of the Debt Service Fund for the current year is as follows:

Total revenues	$ 19,754
Total expenditures	(201,841)
Revenues under expenditures	(182,087)
Other changes in fund balance	973,163
Net change in fund balance	$ 791,076

During the current year, the District's financial resources in the Debt Service Fund are from capitalized interest from the sale of bonds. It is important to note that the District sets its annual debt service tax rate as recommended by its financial advisor, who monitors projected cash flows in the Debt Service Fund to ensure that the District will be able to meet its future debt service requirements.

Capital Projects Fund

A comparative summary of the Capital Projects Fund's financial position as of September 30, 2024 and 2023, is as follows:

	2024	2023
Total assets	$ 431,736	$ 3,351,349
Total liabilities	$ -	$ 3,338,422
Total fund balance	431,736	12,927
Total liabilities and fund balance	$ 431,736	$ 3,351,349

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

	2024	2023
Total revenues	$ 1,424	$ 854
Total expenditures	(15,749,330)	(3,244,669)
Revenues under expenditures	(15,747,906)	(3,243,815)
Other changes in fund balance	16,166,715	3,256,742
Net change in fund balance	$ 418,809	$ 12,927

The District has had considerable capital asset activity in the last two years, which was financed with proceeds from the issuance of its Series 2024 Unlimited Tax Bonds, Series 2024A Unlimited Tax Road Bonds, and Series 2024 Bond Anticipation Note in the current year and issuance of its Series 2023 Bond Anticipation Note in the prior year.

General Fund Budgetary Highlights

The Board of Directors adopts an annual unappropriated budget for the General Fund prior to the beginning of each fiscal year. The Board amended the budget during the year to reflect changes in anticipated revenues and expenditures.

Since the District's budget is primarily a planning tool, actual results varied from the budgeted amounts. Actual net change in fund balance was $11,615 greater than budgeted. The *Budgetary Comparison Schedule* on page 40 of this report provides variance information per financial statement line item.

Capital Assets

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

Capital assets held by the District at September 30, 2024 and 2023, are summarized as follows:

	2024	2023
Capital assets not being depreciated		
Land and improvements	$ 4,707	$ -
Capital assets being depreciated		
Infrastructure	14,946,572	8,273,276
Less accumulated depreciation	(712,256)	(304,674)
Depreciable capital assets, net	14,234,316	7,968,602
Capital assets, net	$ 14,239,023	$ 7,968,602

As previously noted, the District implemented GASBIG 2021-1, Question 5.1 during the current year. As a result, prior year data is not consistent with current year data due to the recognition of certain capital assets and the related accumulated depreciation at the beginning of the current fiscal year (See Notes 3 and 7).

Capital asset additions during the current year include the following:

- Cross Creek West detention channels Phase 2 – utilities
- Cross Creek West, Section 6, 7, and 9 – utilities
- Cross Creek West Boulevard Extension No. 1– utilities
- Lift Station No. 1 land acquisition

Additionally, Fort Bend County (the "County") assumes responsibility (after a one-year maintenance period) for road facilities constructed within the boundaries of the County. Accordingly, these facilities are not considered assets of the District. The estimated value of these assets is recorded as transfers to other governments upon completion of construction. This estimated cost is trued-up when the developer is reimbursed. For the year ended September 30, 2024, capital assets in the amount of $3,216,832 have been completed and recorded as transfers to other governments in the government-wide statements.

Long-Term Debt and Related Liabilities

As of September 30, 2024, the District owes approximately $6,379,083 to the developer for completed projects and operating advances. The initial cost of the completed project and related liability is estimated based on actual construction costs plus 10-15% for engineering and other fees and is recorded on the District's financial statements upon completion of construction. As discussed in Note 9, the District has an additional commitment in the amount of $5,474,910 for projects under construction by the developers. As noted, the District will owe its developer for these projects upon completion of construction. The District intends to reimburse the developer from proceeds of future bond issues or other lawfully available funds. The estimated cost of amounts owed to the developer is trued up when the developer is reimbursed.

During the current year, the District issued $7,070,000 in unlimited tax bonds and $7,490,000 in unlimited tax road bonds, all of which were outstanding as of the end of the fiscal year. The District did not have any bonded debt as of September 30, 2023.

At September 30, 2024, the District had $198,960,500 unlimited tax bonds authorized, but unissued for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage systems within the District and the refunding of such bonds; $30,693,000 for parks and recreational facilities and the refunding of such bonds; and $60,955,000 for road improvements and the refunding of such bonds.

During the current year, the District issued a $6,250,000 bond anticipation note (BAN) to provide short-term financing for developer reimbursements. The District intends to repay the BAN with proceeds from the issuance of long-term debt. See Note 8 for additional information.

Next Year's Budget

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

	2024 Actual	2025 Budget
Total revenues	$ 2,740,944	$ 3,354,375
Total expenditures	(2,172,921)	(2,219,551)
Revenues over expenditures	568,023	1,134,824
Other changes in fund balance	9,880	
Net change in fund balance	577,903	1,134,824
Beginning fund balance	448,962	1,026,865
Ending fund balance	$ 1,026,865	$ 2,161,689

Property Taxes

The District's property tax base increased approximately $128,483,000 for the 2024 tax year from $67,098,515 to $195,581,320. This increase was primarily due to new construction in the District and increased property values. For the 2024 tax year, the District has levied a maintenance tax rate of $0.765 per $100 of assessed value; a debt service tax rate of $0.23 per $100 of assessed value; a road debt service tax rate of $0.24 per $100 of assessed value and a contract tax rate of $0.265 per $100 of assessed value for a total combined tax rate of $1.50 per $100 of assessed value. The District's tax rate for the 2023 tax year was $1.50 per $100 of assessed value for maintenance and operations.

Basic Financial Statements

Fort Bend County Municipal Utility District No. 198
Statement of Net Position and Governmental Funds Balance Sheet
September 30, 2024

	General Fund	Debt Service Fund	Capital Projects Fund	Total
Assets				
Cash	$ 262,491	$ -	$ 431,736	$ 694,227
Investments	1,152,036	791,076		1,943,112
Taxes receivable	5,777			5,777
Customer service receivables	82,814			82,814
Prepaid expenses	4,545			4,545
Other receivables	4,100			4,100
Capital assets not being depreciated				
Capital assets, net				
Total Assets	$ 1,511,763	$ 791,076	$ 431,736	$ 2,734,575
Liabilities				
Accounts payable	$ 300,831	$ -	$ -	$ 300,831
Other payables	3,991			3,991
Customer deposits	46,700			46,700
Unearned revenue	127,599			127,599
Accrued interest payable				
Bond anticipation note payable				
Due to developer				
Long-term debt				
Due after one year				
Total Liabilities	479,121			479,121
Deferred Inflows of Resources				
Deferred property taxes	5,777			5,777
Fund Balances/Net Position				
Fund Balances				
Nonspendable	4,545			4,545
Restricted		791,076	431,736	1,222,812
Unassigned	1,022,320			1,022,320
Total Fund Balances	1,026,865	791,076	431,736	2,249,677
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 1,511,763	$ 791,076	$ 431,736	$ 2,734,575
Net Position				
Net investment in capital assets				
Restricted for debt service				
Unrestricted				
Total Net Position				

See notes to basic financial statements.

Adjustments	Statement of Net Position
$ -	$ 694,227
	1,943,112
	5,777
	82,814
	4,545
	4,100
4,707	4,707
14,234,316	14,234,316
14,239,023	16,973,598
	300,831
	3,991
	46,700
	127,599
61,586	61,586
6,250,000	6,250,000
6,379,083	6,379,083
14,560,000	14,560,000
27,250,669	27,729,790
(5,777)	
(4,545)	
(1,222,812)	
(1,022,320)	
(2,249,677)	
1,610,344	1,610,344
729,490	729,490
(13,096,026)	(13,096,026)
$ (10,756,192)	$ (10,756,192)

Fort Bend County Municipal Utility District No. 198
Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances
For the Year Ended September 30, 2024

	General Fund	Debt Service Fund	Capital Projects Fund	Total
Revenues				
Water service	$ 189,713	$ -	$ -	$ 189,713
Sewer service	235,941			235,941
Property taxes	1,021,428			1,021,428
Penalties and interest	32,335			32,335
Surface water fees	317,121			317,121
Tap connection and inspection	750,494			750,494
Capacity charges	159,007			159,007
Miscellaneous	3,341			3,341
Investment earnings	31,564	19,754	1,424	52,742
Total Revenues	2,740,944	19,754	1,424	2,762,122
Expenditures/Expenses				
Current service operations				
Purchased services	1,359,255			1,359,255
Professional fees	140,699		84,165	224,864
Contracted services	234,357			234,357
Repairs and maintenance	144,628			144,628
Utilities	3,405			3,405
Administrative	45,980			45,980
Other	13,473		160	13,633
Capital outlay	231,124		13,226,855	13,457,979
Debt service				
Interest and fees		201,841	113,799	315,640
Developer interest			1,015,723	1,015,723
Debt issuance costs			1,308,628	1,308,628
Depreciation				
Total Expenditures/Expenses	2,172,921	201,841	15,749,330	18,124,092
Revenues Over/(Under) Expenditures/Expenses	568,023	(182,087)	(15,747,906)	(15,361,970)
Other Financing Sources/(Uses)				
Proceeds from sale of bonds		973,163	13,586,837	14,560,000
Bond anticipation note proceeds			6,250,000	6,250,000
Repayment of bond anticipation note			(3,425,000)	(3,425,000)
Internal transfers	9,880		(9,880)	
Repayment of developer advances			(235,242)	(235,242)
Other Items				
Transfers to other governments				
Net Change in Fund Balances	577,903	791,076	418,809	1,787,788
Change in Net Position				
Fund Balance/Net Position				
Beginning of the year, as reported	448,962		12,927	461,889
Change due to new accounting guidance (Note 3)				
Beginning of the year, as restated	448,962		12,927	461,889
End of the year	$ 1,026,865	$ 791,076	$ 431,736	$ 2,249,677

See notes to basic financial statements.

Adjustments	Statement of Activities
$ -	$ 189,713
	235,941
(10,330)	1,011,098
(2,068)	30,267
	317,121
	750,494
	159,007
	3,341
	52,742
(12,398)	2,749,724
	1,359,255
	224,864
	234,357
	144,628
	3,405
	45,980
	13,633
(13,457,979)	
61,586	377,226
	1,015,723
	1,308,628
374,127	374,127
(13,022,266)	5,101,826
13,009,868	(2,352,102)
(14,560,000)	
(6,250,000)	
3,425,000	
235,242	
(3,216,832)	(3,216,832)
(1,787,788)	
(5,568,934)	(5,568,934)
(5,924,318)	(5,462,429)
275,171	275,171
(5,649,147)	(5,187,258)
$ (13,005,869)	$ (10,756,192)

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Note 1 – Summary of Significant Accounting Policies

The accounting policies of Fort Bend County Municipal Utility District No. 198 (the "District") conform with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board ("GASB"). The following is a summary of the most significant policies:

Creation

The District was organized, created and established pursuant to an order of the Texas Commission on Environmental Quality, dated January 28, 2009, and operates in accordance with the Texas Water Code, Chapters 49 and 54, as amended. The Board of Directors held its first meeting on October 30, 2014.

The District's primary activities include construction, maintenance and operation of water, sewer, and drainage facilities, road improvements, and park and recreational facilities. The District has contracted with various consultants to provide services to operate and administer the affairs of the District. The District has no employees, related payroll or pension costs.

Reporting Entity

The District is a political subdivision of the State of Texas governed by an elected five-member board. The GASB has established the criteria for determining the reporting entity for financial statement reporting purposes. To qualify as a primary government, a government must have a separately elected governing body, be legally separate, and be fiscally independent of other state and local governments, while a component unit is a legally separate government for which the elected officials of a primary government are financially accountable. Fiscal independence implies that the government has the authority to adopt a budget, levy taxes, set rates, and/or issue bonds without approval from other governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District's financial statements as component units.

Government-Wide and Fund Financial Statements

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

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

Note 1 – Summary of Significant Accounting Policies (continued)

Government-Wide and Fund Financial Statements (continued)

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

- The General Fund is used to account for the operations of the District's water and sewer system and all other financial transactions not reported in other funds. The principal sources of revenue are property taxes and water and sewer service fees. Expenditures include costs associated with the daily operations of the District.
- The Debt Service Fund is used to account for the payment of interest and principal on the District's general long-term debt. The primary source of revenue for debt service is property taxes. Expenditures include costs incurred in assessing and collecting these taxes.
- The Capital Projects Fund is used to account for the expenditures of bond proceeds for the construction of the District's water, sewer, drainage and road facilities.

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

Measurement Focus and Basis of Accounting

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

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

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

Use of Restricted Resources

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

Note 1 – Summary of Significant Accounting Policies (continued)

Prepaid Items

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

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Receivables from and payables to external parties are reported separately and are not offset unless a legal right of offset exists. At September 30, 2024, an allowance for uncollectible accounts was not considered necessary.

Unbilled Service Revenues

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

Interfund Activity

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

Capital Assets

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

Depreciable capital assets, which primarily consist of water, wastewater and drainage facilities, are depreciated using the straight-line method over an estimated useful life of 10 to 45 years.

Note 1 – Summary of Significant Accounting Policies (continued)

Deferred Inflows and Outflows of Financial Resources

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

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

Net Position – Governmental Activities

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

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

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

Unrestricted – resources not included in the other components.

Fund Balances – Governmental Funds

Governmental accounting standards establish the following fund balance classifications:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The District's nonspendable fund balance consists of prepaid items.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. The District's restricted fund balances consist of unspent bond proceeds in the Capital Projects Fund and capitalized interest from the sale of bonds in the Debt Service Fund.

Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The District does not have any committed fund balances.

Note 1 – Summary of Significant Accounting Policies (continued)

Fund Balances – Governmental Funds (continued)

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

Unassigned - all other spendable amounts in the General Fund.

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

Use of Estimates

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

Note 2 – Adjustment from Governmental to Government-wide Basis

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

Total fund balance, governmental funds		$ 2,249,677
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
Historical cost	$ 14,951,279	
Less accumulated depreciation	(712,256)	
Change due to capital assets		14,239,023
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		
Bonds payable	(14,560,000)	
Bond anticipation note payable	(6,250,000)	
Interest payable on bonds	(61,586)	
Change due to long-term debt		(20,871,586)
Amounts due to the District's developer for prefunded construction and operating advances are recorded as a liability in the *Statement of Net Position.*		(6,379,083)
Property taxes receivable and related penalties and interest have been levied and are due, but are not available soon enough to pay current period expenditures and, therefore, are deferred in the funds.		5,777
Total net position - governmental activities		$ (10,756,192)

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

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

Net change in fund balances - total governmental funds		$ 1,787,788
Governmental funds do not report revenues that are not available to pay current obligations. In contrast, such revenues are reported in the *Statement of Activities* when earned. The difference is for property taxes and related penalties and interest.		(12,398)
Governmental funds report capital outlays for developer reimbursements and construction costs as expenditures in the funds; however, in the *Statement of Activities,* the cost of capital assets is charged to expense over the estimated useful life of the asset. Public road improvements are recorded as transfers to other governments.		
Capital outlays	$ 13,457,979	
Depreciation expense	(374,127)	
Transfers to other governments	(3,216,832)	
		9,867,020
The issuance of long-term debt provides current financial resources to governmental funds. However, this transaction has no effect on net assets. Other elements of debt financing are reported differently between the fund and government-wide statements.		
Issuance of long term debt	(14,560,000)	
Bond anticipation note proceeds	(6,250,000)	
Repayment of bond anticipation note	3,425,000	
Interest expense accrual	(61,586)	
		(17,446,586)
Amounts repaid to the District's developer for operating advances use financial resources at the fund level, but reduce the liability in the *Statement of Net Position*.		235,242
Change in net position of governmental activities		$ (5,568,934)

Note 3 – Implementation of New Accounting Guidance

During the current fiscal year, the District implemented GASB Implementation Guide ("GASBIG") 2021-1, Question 5.1, which requires the capitalization of the acquisition of a group of individual capital assets whose individual acquisition costs are less than the capitalization threshold when the cost of the acquisition of the assets in the aggregate is significant. Under this new guidance, the District's acquisition of water meters that exceeds the capitalization threshold in the aggregate should be recorded as Capital outlays instead of Contracted services in the *Statement of Revenues, Expenditures and Changes in Fund Balances*. On the government wide statements, the acquisition of water meters should not be recorded as an expense on the *Statement of Activities* but should be recorded as capital assets on the *Statement of Net Position.*

GASBIG 2021-1, Question 5.1 is required to be retroactively implemented, which means the District is required to record the acquisition of water meters that were expensed in previous fiscal years as infrastructure capital assets and to record the related accumulated depreciation at the beginning of the current fiscal year. Accordingly, the District has recorded a restatement to recognize $275,171 in depreciable capital assets, which were measured at net book value (i.e., cost less accumulated depreciation) as of the beginning of the current fiscal year and increased its beginning net position by the same amount. Prior year amounts in the Management's Discussion and Analysis and supplementary schedules were not restated.

Note 4 – Deposits and Investments

Deposit Custodial Credit Risk

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

Note 4 – Deposits and Investments (continued)

Investments

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

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

As of September 30, 2024, the District's investments consist of the following:

Type	Fund	Carrying Value	Rating	Weighted Average Maturity
TexSTAR	General	$ 1,152,036		
	Debt Service	791,076		
Total		$ 1,943,112	AAAm	24 days

TexSTAR

The Texas Short Term Asset Reserve fund ("TexSTAR") is managed by Hilltop Securities, and J.P. Morgan Investment Management, Inc. Hilltop Securities provides participant and marketing services while J.P. Morgan provides investment management services. Custodial and depository services are provided by J.P. Morgan Chase Bank N.A. or its subsidiary.

Note 4 – Deposits and Investments (continued)

TexSTAR (continued)

TexSTAR uses amortized cost rather than fair value to report net assets to compute share price. Accordingly, investments in TexSTAR are stated at amortized cost which approximates fair value. Investments in TexSTAR may be withdrawn via wire transfer on a same day basis, as long as the transaction is executed by 4 p.m. ACH withdrawals made by 4 p.m. will settle on the next business day.

Investment Credit and Interest Rate Risk

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

Note 5 – Master District

On January 7, 2022, the District entered into a contract (the "Contract") with Fort Bend County Municipal Utility District No. 214 (the "Master District") whereby the Master District agrees to provide or cause to be provided regional water, sanitary sewer, storm sewer, park, road and other joint facilities necessary to serve all districts located within the Master District's service area.

The Contract authorizes the establishment of an operating and maintenance reserve by the Master District equivalent to three months' operating and maintenance expenses, as set forth in the Master District's annual budget. Prior to commencement of services, the Master District shall bill the District an amount calculated by multiplying the monthly fee (as defined below) by three in order to provide the initial funding required to establish the reserve. The Master District shall adjust the reserve as needed, not less than annually.

Upon commencement of services, the Master District will charge each participating district a monthly fee based on the unit cost per connection multiplied by the number of equivalent single-family connections reserved to the District. As of September 30, 2024, the monthly fee was $191 per equivalent-single-family connection. During the current year, the District recognized $1,359,255 in expenditures for water supply and wastewater treatment services.

Note 5 – Master District (continued)

Renewal and Replacement

On July 18, 2022, the District entered into an Interlocal Agreement for Renewal and Replacement Fee with the Master District for the purpose of accumulating funds for future renewal and replacement repairs to Master District facilities. The Master District will create and establish a Renewal and Replacement Fund (the "Fund"), which shall be accounted for separately and which moneys in the Fund may only be used for renewal and replacement costs of Master District Facilities, at the Master District's sole discretion. The initial fee will be $0.25 per 1,000 gallons of water purchased by customers within the District, however in no event will the Master District charge more than $1.50 per 1,000 gallons without written approval of the District. This fee will continue for forty years from the effective date and will remain until either Party is annexed and dissolved by the City of Fulshear.

Master District Debt Service

The Master District is authorized to issue bonds for the purpose of acquiring and constructing facilities needed to provide services to all participating districts. The District shall contribute to the payment of debt service requirements based on its pro rata share of the total certified assessed valuation of all participating districts.

As of September 30, 2024, the Master District has $12,715,000 contract revenue bonds outstanding. The Master District's debt service requirements on contract revenue bonds outstanding are as follows:

Year	Principal	Interest	Total
2025	$ -	$ 552,078	$ 552,078
2026		564,625	564,625
2027	280,000	555,526	835,526
2028	290,000	537,000	827,000
2029	300,000	517,826	817,826
2030 - 2034	1,750,000	2,282,817	4,032,817
2035 - 2039	2,190,000	1,846,545	4,036,545
2040 - 2044	2,775,000	1,352,245	4,127,245
2045 - 2049	3,490,000	721,413	4,211,413
2050 - 2051	1,640,000	70,547	1,710,547
	$ 12,715,000	$ 9,000,622	$ 21,715,622

Note 6 – Interfund Balances and Transactions

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

Transfers Out	Transfers In	Amounts	Purpose
Capital Projects Fund	General Fund	$ 9,880	Reimbursement of bond application fees paid by General Fund

Note 7 – Capital Assets

A summary of changes in capital assets, for the year ended September 30, 2024, is as follows:

	Beginning Balances	Additions/ Adjustments	Ending Balances
Capital assets not being depreciated			
Land and improvements	$ -	$ 4,707	$ 4,707
Capital assets being depreciated			
Infrastructure	8,581,902	6,364,670	14,946,572
Less accumulated depreciation	(338,129)	(374,127)	(712,256)
Subtotal depreciable capital assets, net	8,243,773	5,990,543	14,234,316
Capital assets, net	$ 8,243,773	$ 5,995,250	$ 14,239,023

Depreciation expense for the current fiscal year was $374,127.

As discussed in Note 3, the District recorded a restatement to capitalize the acquisition of certain capital assets and accumulated depreciation at the beginning of the current fiscal year. In previous years, these costs were expensed. As a result, beginning balances for infrastructure capital assets in the current fiscal year are not consistent with prior year data.

Note 8 – Bond Anticipation Note

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

At the beginning of the fiscal year, the District had a BAN outstanding in the amount of $3,425,000. This BAN was repaid on May 9, 2024, with proceeds from the issuance of the District's Series 2024 Unlimited Tax Bonds.

On September 19, 2024, the District issued a $6,250,000 BAN with an interest rate of 4.95%, which is due on September 18, 2025. This BAN will be repaid subsequent to year end.

Note 8 – Bond Anticipation Note (continued)

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

Beginning balance	$	3,425,000
Amounts borrowed		6,250,000
Amounts repaid		(3,425,000)
Ending balance	$	6,250,000

Note 9 – Due to Developer

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

The District's developers have also advanced funds to the District for operating expenses.

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

Due to developer, beginning of year	$	13,820,174
Developer reimbursements		(16,392,676)
Developer funded construction and adjustments		9,355,085
Repayment of operating advances		(403,500)
Due to developer, end of year	$	6,379,083

In addition, the District will owe the developers approximately $5,474,910, which is included in the following schedule of contractual commitments. The exact amount is not known until approved by the TCEQ and verified by the District's auditor. As previously noted, these projects will be reported in the government-wide financial statements upon completion of construction.

		Contract Amount	Percent Complete
Cross Creek West Section 8 - utilities and paving	$	3,092,502	45%
Cross Creek West Section 10 - utilities and paving		2,382,408	54%
	$	5,474,910	

Note 10 – Long-Term Debt

Long-term debt is comprised of the following:

Bonds payable	$ 14,560,000
Due within one year	$ -

The District's bonds payable at September 30, 2024, consists of unlimited tax bonds as follows:

Series	Amounts Outstanding	Original Issue	Interest Rates	Maturity Date, Serially, Beginning/ Ending	Interest Payment Dates	Call Dates
2024	$ 7,070,000	$ 7,070,000	4.00% - 6.50%	September 1, 2026/2050	March 1, September 1	September 1, 2031
2024A Road	7,490,000	7,490,000	4.00% - 6.50%	September 1, 2026/2050	March 1, September 1	September 1, 2031
	$ 14,560,000					

Payments of principal and interest on all series of bonds are to be provided from taxes levied on all properties within the District. Investment income realized by the Debt Service Fund from investment of idle funds will be used to pay outstanding bond principal and interest. The District is in compliance with the terms of its bond resolutions.

At September 30, 2024, the District had authorized but unissued bonds in the amount of $198,960,500 for water, sewer and drainage facilities and the refunding of such bonds; $30,693,000 for park and recreational facilities and the refunding of such bonds; and $60,955,000 for road facilities and the refunding of such bonds.

On May 9, 2024, the District issued its $7,070,000 Series 2024 Unlimited Tax Bonds at a net effective interest rate of 4.375089%. Proceeds of the bonds were used to (1) reimburse developer for the cost of capital assets constructed within the District plus interest expense at the net effective interest rate of the bonds and operating advances; (2) to repay a $3,425,000 BAN issued in the previous fiscal year; and (3) to pay capitalized interest into the Debt Service Fund.

On May 9, 2024, the District issued its $7,490,000 Series 2024A Unlimited Tax Road Bonds at a net effective interest rate of 4.375085%. Proceeds of the bonds were used to reimburse developer for the cost of capital assets constructed within the District plus interest expense at the net effective interest rate of the bonds and to pay capitalized interest into the Debt Service Fund.

Note 10 – Long-Term Debt (continued)

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

Bonds payable, beginning of year	$ -
Bonds issued	14,560,000
Bonds payable, end of year	$ 14,560,000

As of September 30, 2024, annual debt service requirements on bonds outstanding are as follows:

Year	Principal	Interest	Totals
2025	$ -	$ 648,774	$ 648,774
2026	320,000	648,775	968,775
2027	330,000	628,363	958,363
2028	350,000	606,913	956,913
2029	360,000	584,163	944,163
2030	380,000	560,762	940,762
2031	400,000	536,063	936,063
2032	420,000	510,062	930,062
2033	435,000	486,437	921,437
2034	455,000	469,038	924,038
2035	480,000	450,837	930,837
2036	505,000	431,638	936,638
2037	525,000	411,437	936,437
2038	555,000	390,438	945,438
2039	575,000	368,237	943,237
2040	605,000	345,238	950,238
2041	630,000	321,037	951,037
2042	660,000	295,838	955,838
2043	695,000	269,437	964,437
2044	730,000	241,638	971,638
2045	765,000	212,438	977,438
2046	800,000	180,880	980,880
2047	835,000	147,882	982,882
2048	875,000	113,437	988,437
2049	915,000	77,344	992,344
2050	960,000	39,600	999,600
	$ 14,560,000	$ 9,976,706	$ 24,536,706

Note 11 – Property Taxes

On November 6, 2018, the voters of the District authorized the District's Board of Directors to levy taxes annually for use in financing general operations limited to $1.50 per $100 of assessed value and a road maintenance tax limited to $0.25 per $100 of assessed value. The District's bond resolutions require that property taxes be levied for use in paying interest and principal on long-term debt and for use in paying the cost of assessing and collecting taxes. Taxes levied to finance debt service requirements on long-term debt are without limitation as to rate or amount.

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

Property taxes are collected based on rates adopted in the year of the levy. The District's 2024 fiscal year was financed through the 2023 tax levy, pursuant to which the District levied property taxes of $1.50 per $100 of assessed value, all of which was allocated to maintenance and operations. The resulting tax levy was $1,006,477 on the adjusted taxable value of $67,098,515.

Property taxes receivable, at September 30, 2024, consisted of the following:

Property taxes receivable	$	4,814
Penalty and interest receivable		963
Property taxes receivable	$	5,777

Note 12 – Transfers to Other Governments

Fort Bend County assumes responsibility for the maintenance of public roads constructed within the county limits. Accordingly, road facilities are considered to be capital assets of Fort Bend County, not the District and are recorded as transfers to other governments on the *Statement of Activities* upon completion of construction. This cost is trued-up when the developer is subsequently reimbursed. For the year ended September 30, 2024, the District recorded transfers to other governments in the amount of $3,216,832 for road facilities constructed by a developer within the District.

Note 13 – Regional Water Authority

A majority of the District is within the boundaries of the North Fort Bend Water Authority (the "Authority"), which was created by the Texas Legislature. The Authority is a political subdivision of the State of Texas, governed by an elected five-member Board of Directors. The Authority was created to provide a regional entity to acquire surface water and build the necessary facilities to convert from groundwater to surface water in order to meet conversion requirements mandated by the Harris-Galveston Coastal Subsidence District, which regulates groundwater withdrawal.

Note 13 – Regional Water Authority (continued)

As of January 1, 2022, the Authority's rates are $4.55 per 1,000 gallons of water for groundwater pumped by the Master District and imported into the boundaries of the District. The District passes these costs on to its customers and effective March 14, 2024, the rate is $5 for each 1,000 gallons of water delivered to the user. These rates are subject to future increases. During the current year, the District recognized $317,121 in revenues for regional water authority fees.

The District remits all amounts collected for regional water authority fees from customers to the Master District, who pays the groundwater fees to the Authority on behalf of the District.

Note 14 – Capacity Charges

On May 9, 2024, the District entered into an agreement with Lamar Consolidated Independent School District ("LCISD") for the provision of water, sewer, and drainage/detention capacity in the District's facilities to serve a tract, which is proposed to be developed for an elementary school. Based on the requested amount of capacity, LCISD is required to pay a non-taxable user fee of $541,911, which consists of $159,007 due to the District and $382,904 due to MUD 214, in its capacity as the Master District. As of September 30, 2024, LCISD has paid its pro rata share of $159,007 to the District.

Note 15 – Cost Sharing Agreement

On November 12, 2021, the District and Fort Bend County Municipal Utility District No. 195 ("MUD 195") entered into a Cost Sharing Agreement for Water and Sanitary Sewer Facilities (the "Agreement") for the purpose of acquiring, constructing, and operating water supply and sanitary sewer facilities (the "Facilities") to serve both districts. Each district is responsible for their pro-rata share of costs based on their projected share of capacity. During the previous fiscal year, the District transferred ownership and maintenance of the facilities to the Master District.

Note 16 – Risk Management

The District is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and personal injuries. The risk of loss is covered by commercial insurance. There have been no significant reductions in insurance coverage from the prior year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

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Required Supplementary Information

Fort Bend County Municipal Utility District No. 198
Required Supplementary Information - Budgetary Comparison Schedule - General Fund
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Water service	$ 364,000	$ 360,694	$ 189,713	$ (170,981)
Sewer service			235,941	235,941
Property taxes	1,100,000	1,075,000	1,021,428	(53,572)
Penalties and interest			32,335	32,335
Tap connection and inspection	604,800	604,800	750,494	145,694
Regional water authority fees	264,000	267,878	317,121	49,243
Lease contribution			159,007	159,007
Miscellaneous			3,341	3,341
Investment earnings	1,000	1,000	31,564	30,564
Total Revenues	2,333,800	2,309,372	2,740,944	431,572
Expenditures				
Current service operations				
Purchased services	1,249,560	1,086,608	1,359,255	(272,647)
Professional fees	199,000	199,000	140,699	58,301
Contracted services	227,220	166,536	234,357	(67,821)
Repairs and maintenance	50,000	50,000	144,628	(94,628)
Utilities	5,000	5,000	3,405	1,595
Administrative	50,500	58,000	45,980	12,020
Other	2,500	2,500	13,473	(10,973)
Capital outlay	175,440	175,440	231,124	(55,684)
Total Expenditures	1,959,220	1,743,084	2,172,921	(429,837)
Revenues Over Expenditures	374,580	566,288	568,023	1,735
Other Financing Sources				
Internal transfers			9,880	9,880
Net Change in Fund Balance	374,580	566,288	577,903	11,615
Fund Balance				
Beginning of the year	448,962	448,962	448,962	
End of the year	$ 823,542	$ 1,015,250	$ 1,026,865	$ 11,615

Budgets and Budgetary Accounting

An annual unappropriated budget is adopted for the General Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. The budget was amended during the year to reflect changes in anticipated revenues and expenditures.

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Texas Supplementary Information

Fort Bend County Municipal Utility District No. 198
TSI-1. Services and Rates
September 30, 2024

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

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

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

[ ] Other (Specify): ____________________

2. Retail Service Providers

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

	Minimum Charge	Minimum Usage	Flat Rate (Y / N)	Rate per 1,000 Gallons Over Minimum Usage	Usage Levels		
Water:	$ 26.10	10,000	N	$ 2.50	10,001	to	20,000
				$ 3.00	20,001	to	no limit
Wastewater:	$ 42.84	- 0 -	Y			to	
* Surcharge:		- 0 -	N	$ -	0	to	no limit

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

Total charges per 10,000 gallons usage: Water $ 26.10 Wastewater $ 42.84

* Groundwater Pumpage Fee: $5.00 for 1,000 gallons of water

b. Water and Wastewater Retail Connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC'S
Unmetered			x 1.0	
less than 3/4"	566	563	x 1.0	563
1"	43	42	x 2.5	105
1.5"	9	9	x 5.0	45
2"	17	17	x 8.0	136
3"			x 15.0	
4"			x 25.0	
6"	1	1	x 50.0	50
8"			x 80.0	
10"			x 115.0	
Total Water	636	632		899
Total Wastewater	612	608	x 1.0	608

See accompanying auditor's report.

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

* Gallons purchased:	64,092,000	Water Accountability Ratio: (Gallons billed / Gallons pumped)
Gallons billed to customers:	64,092,000	100.00%

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

Does the District have Debt Service standby fees? Yes [ ] No [X]

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

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

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

5. Location of District

Is the District located entirely within one county? Yes [X] No [ ]

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

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

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

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

Entirely [X] Partly [ ] Not at all [ ]

ETJs in which the District is located: City of Fulshear

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

If Yes, by whom? ______

* Purchased from Fort Bend County Municipal Utility District No. 214

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 198
TSI-2. General Fund Expenditures
For the Year Ended September 30, 2024

Purchased services	$ 1,359,255
Professional fees	
Legal	49,209
Audit	16,000
Engineering	75,490
	140,699
Contracted services	
Bookkeeping	24,200
Operator	98,908
Garbage collection	85,535
Tax assessor collector	20,646
Appraisal district fees	5,068
	234,357
Repairs and maintenance	144,628
Utilities	3,405
Administrative	
Directors fees	11,407
Printing and office supplies	25,468
Insurance	5,369
Other	3,736
	45,980
Other	13,473
Capital outlay	231,124
Total expenditures	$ 2,172,921

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 198
TSI-3. Investments
September 30, 2024

Fund	Interest Rate	Maturity Date	Balance at End of Year
General			
TexSTAR	Variable	N/A	$ 1,152,036
Debt Service			
TexSTAR	Variable	N/A	383,931
TexSTAR	Variable	N/A	407,145
			791,076
Total - All Funds			$ 1,943,112

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 198
TSI-4. Taxes Levied and Receivable
September 30, 2024

	Maintenance Taxes
Taxes Receivable, Beginning of Year	$ 15,144
Adjustments to Prior Year Tax Levy	4,621
Adjusted Receivable	19,765
2023 Original Tax Levy	904,778
Adjustments	101,699
Adjusted Tax Levy	1,006,477
Total to be accounted for	1,026,242
Tax collections:	
Current year	1,001,663
Prior year	19,765
Total Collections	1,021,428
Taxes Receivable, End of Year	$ 4,814
Taxes Receivable, By Years	
2023	$ 4,814

	2023	2022	2021
Property Valuations:			
Land	$ 39,421,353	$ 35,046,610	$ 12,474,110
Improvements	30,341,106	10	
Personal Property	380,170		
Exemptions	(3,044,114)	(862,933)	
Total Property Valuations	$ 67,098,515	$ 34,183,687	$ 12,474,110
Tax Rates per $100 Valuation:			
Maintenance tax rates	$ 1.50	$ 1.50	$ 1.50
Total Tax Rates per $100 Valuation	$ 1.50	$ 1.50	$ 1.50
Adjusted Tax Levy:	$ 1,006,477	$ 512,755	$ 187,112
Percentage of Taxes Collected to Taxes Levied **	99.52%	100.00%	100.00%

* Maximum Maintenance Tax Rate Approved by Voters: $1.50 on November 6, 2018
Maximum Road Maintenance Tax Rate Approved by Voters: $0.25 on November 6, 2018

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

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 198
TSI-5. Long-Term Debt Service Requirements
Series 2024--by Years
September 30, 2024

Due During Fiscal Years Ending	Principal Due September 1	Interest Due March 1, September 1	Total
2025	$ -	$ 314,868	$ 314,868
2026	155,000	314,869	469,869
2027	160,000	305,181	465,181
2028	170,000	294,781	464,781
2029	175,000	283,731	458,731
2030	185,000	272,356	457,356
2031	195,000	260,331	455,331
2032	205,000	247,656	452,656
2033	210,000	236,125	446,125
2034	220,000	227,725	447,725
2035	235,000	218,925	453,925
2036	245,000	209,525	454,525
2037	255,000	199,725	454,725
2038	270,000	189,525	459,525
2039	280,000	178,725	458,725
2040	295,000	167,525	462,525
2041	305,000	155,725	460,725
2042	320,000	143,525	463,525
2043	335,000	130,725	465,725
2044	355,000	117,325	472,325
2045	370,000	103,126	473,126
2046	390,000	87,862	477,862
2047	405,000	71,776	476,776
2048	425,000	55,068	480,068
2049	445,000	37,538	482,538
2050	465,000	19,182	484,182
	$ 7,070,000	$ 4,843,425	$ 11,913,425

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 198
TSI-5. Long-Term Debt Service Requirements
Series 2024A Road--by Years
September 30, 2024

Due During Fiscal Years Ending	Principal Due September 1	Interest Due March 1, September 1	Total
2025	$ -	$ 333,906	$ 333,906
2026	165,000	333,906	498,906
2027	170,000	323,182	493,182
2028	180,000	312,132	492,132
2029	185,000	300,432	485,432
2030	195,000	288,406	483,406
2031	205,000	275,732	480,732
2032	215,000	262,406	477,406
2033	225,000	250,312	475,312
2034	235,000	241,313	476,313
2035	245,000	231,912	476,912
2036	260,000	222,113	482,113
2037	270,000	211,712	481,712
2038	285,000	200,913	485,913
2039	295,000	189,512	484,512
2040	310,000	177,713	487,713
2041	325,000	165,312	490,312
2042	340,000	152,313	492,313
2043	360,000	138,712	498,712
2044	375,000	124,313	499,313
2045	395,000	109,312	504,312
2046	410,000	93,018	503,018
2047	430,000	76,106	506,106
2048	450,000	58,369	508,369
2049	470,000	39,806	509,806
2050	495,000	20,418	515,418
	$ 7,490,000	$ 5,133,281	$ 12,623,281

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 198
TSI-5. Long-Term Debt Service Requirements
All Bonded Debt Series--by Years
September 30, 2024

Due During Fiscal Years Ending	Principal Due September 1	Interest Due March 1, September 1	Total
2025	$ -	$ 648,774	$ 648,774
2026	320,000	648,775	968,775
2027	330,000	628,363	958,363
2028	350,000	606,913	956,913
2029	360,000	584,163	944,163
2030	380,000	560,762	940,762
2031	400,000	536,063	936,063
2032	420,000	510,062	930,062
2033	435,000	486,437	921,437
2034	455,000	469,038	924,038
2035	480,000	450,837	930,837
2036	505,000	431,638	936,638
2037	525,000	411,437	936,437
2038	555,000	390,438	945,438
2039	575,000	368,237	943,237
2040	605,000	345,238	950,238
2041	630,000	321,037	951,037
2042	660,000	295,838	955,838
2043	695,000	269,437	964,437
2044	730,000	241,638	971,638
2045	765,000	212,438	977,438
2046	800,000	180,880	980,880
2047	835,000	147,882	982,882
2048	875,000	113,437	988,437
2049	915,000	77,344	992,344
2050	960,000	39,600	999,600
	$ 14,560,000	$ 9,976,706	$ 24,536,706

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 198
TSI-6. Change in Long-Term Bonded Debt
September 30, 2024

	Bond Issue		
	Series 2024	Series 2024A Road	Totals
Interest rate	4.00% - 6.50%	4.00% - 6.50%	
Dates interest payable	3/1 ; 9/1	3/1 ; 9/1	
Maturity dates	9/1/26 - 9/1/50	9/1/26 - 9/1/50	
Beginning bonds outstanding	$ -	$ -	$ -
Bonds issued	7,070,000	7,490,000	14,560,000
Ending bonds outstanding	$ 7,070,000	$ 7,490,000	$ 14,560,000
Interest paid during fiscal year	$ 97,959	$ 103,882	$ 201,841
Paying agent's name and city			
All series	BOKF, NA, Dallas, Texas		

Bond Authority:	Water, Sewer and Drainage Bonds	Park Bonds	Road Bonds
Amount Authorized by Voters	$ 206,030,500	$ 30,693,000	$ 68,445,000
Amount Issued	(7,070,000)		(7,490,000)
Remaining To Be Issued	$ 198,960,500	$ 30,693,000	$ 60,955,000

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

Debt Service Fund cash and investments balance as of September 30, 2024: $ 791,076

Average annual debt service payment (principal and interest) for remaining term of all debt: $ 943,719

See accompanying auditor's report.

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Fort Bend County Municipal Utility District No. 198
TSI-7a. Comparative Schedule of Revenues and Expenditures - General Fund
For the Last Five Fiscal Years

	Amounts				
	2024	2023	2021**	2020**	2019**
Revenues					
Water service	$ 189,713	$ 89,997	$ 1,315	$ -	$ -
Sewer service	235,941	96,781	1,105		
Property taxes	1,021,428	677,827	2,276		
Penalties and interest	32,335	34,530	52		
Surface water fees	317,121	188,610	222		
Tap connection and inspection	750,494	680,768	195,405		
Lease contribution	159,007		8,250	5,500	
Miscellaneous	3,341	1,003	1,300		100
Investment earnings	31,564	1,486	44	4	4
Total Revenues	2,740,944	1,771,002	209,969	5,504	104
Expenditures					
Current service operations					
Purchased services	1,359,255	750,207			
Professional fees	140,699	164,011	183,033	158,496	25,635
Contracted services	234,357	398,695	40,345	7,425	6,075
Repairs and maintenance	144,628	106,549	3,915		
Utilities	3,405	15,060			
Administrative	45,980	36,746	14,352	14,704	1,221
Other	13,473	34,972	865	1,490	265
Capital					
Capital outlay	231,124				
Right-to-use leased asset		50,000	678,128		
Debt service					
Lease - principal		38,293	37,288		
Lease - interest		16,707	17,712		
Total Expenditures	2,172,921	1,611,240	975,638	182,115	33,196
Revenues Over/(Under) Expenditures	$ 568,023	$ 159,762	$ (765,669)	$ (176,611)	$ (33,092)
Total Active Retail Water Connections	632	345	64	N/A	N/A
Total Active Retail Wastewater Connections	608	325	64	N/A	N/A

*Percentage is negligible
**Unaudited
See accompanying auditor's report.

Percent of Fund Total Revenues				
2024	2023	2021**	2020**	2019**
7%	5%	1%	-	-
9%	5%	1%		
37%	38%	1%		
1%	2%	*		
12%	11%	*		
27%	39%	92%		
6%		4%	-	
*	*	1%		-
1%	*	*	-	-
100%	100%	100%	-	-
50%	42%			
5%	9%	87%	-	-
9%	23%	19%	-	-
5%	6%	2%		
*	1%			
2%	2%	7%	-	-
*	2%	*	-	-
8%				
	3%	323%		
	2%	18%		
	1%	8%		
79%	91%	464%	-	-
21%	9%	(364%)	-	-

Fort Bend County Municipal Utility District No. 198
TSI-7b. Comparative Schedule of Revenues and Expenditures - Debt Service Fund
For the Current Fiscal Year

	Amounts	Percent of Fund Total Revenues
	2024	2024
Revenues		
Investment earnings	$ 19,754	100%
Expenditures		
Debt service		
Interest and fees	201,841	1022%
Revenues Under Expenditures	$ (182,087)	(922%)

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 198
TSI-8. Board Members, Key Personnel and Consultants
For the Year Ended September 30, 2024

Complete District Mailing Address:	3200 Southwest Freeway, Suite 2600, Houston, TX 77027
District Business Telephone Number:	(713) 860-6400
Submission Date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):	July 11, 2024
Limit on Fees of Office that a Director may receive during a fiscal year: (Set by Board Resolution -- TWC Section 49.060)	$ 7,200

Names:	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid *	Expense Reimburse-ments	Title at Year End
Board Members				
Burke Sunday	5/22 - 5/26	$ 2,210	$ 217	President
Chris Kolkhorst	5/22 - 5/26	1,105	93	Vice President
Robert Bardin	5/24 - 5/28	2,210	153	Secretary
JoAnn Ramos	5/24 - 5/28	1,989	117	Assistant Vice President
Jeff Tobin	7/24 - 5/28	884	14	Assistant Secretary
Mark Nelson	5/22 - 5/24	1,547	384	Former Director
Consultants		Amounts Paid		
Allen Boone Humphries Robinson LLP	2014			Attorney
General legal fees		$ 58,303		
Bond counsel		448,415		
Si Environmental, LLC	2018	419,307		Operator
Myrtle Cruz, Inc.	2018	36,962		Bookkeeper
Assessments of the Southwest, Inc.	2018	11,180		Tax Collector
Fort Bend Central Appraisal District	Legislative	5,068		Property Valuation
Perdue, Brandon, Fielder, Collins & Mott, LLP	2022	9,466		Delinquent Tax Attorney
BGE, Inc.	2018	67,169		Engineer
McGrath & Co., PLLC	2022	38,500		Auditor
R.W. Baird & Co., Inc.	2018	356,355		Financial Advisor

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

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 214

FORT BEND COUNTY, TEXAS

FINANCIAL REPORT

September 30, 2024

Table of Contents

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

Independent Auditor's Report

Board of Directors
Fort Bend County Municipal Utility District No. 214
Fort Bend County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Fort Bend County Municipal Utility District No. 214 (the "District"), as of and for the year ended September 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Fort Bend County Municipal Utility District No. 214, as of September 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Texas Supplementary Information schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Texas Supplementary Information schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

McGrath & Co, PLLC

Houston, Texas
January 9, 2025

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Management’s Discussion and Analysis

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Using this Annual Report

Within this section of the financial report of Fort Bend County Municipal Utility District No. 214 (the "District"), the District's Board of Directors provides a narrative discussion and analysis of the financial activities of the District for the fiscal year ended September 30, 2024. This analysis should be read in conjunction with the independent auditor's report and the basic financial statements that follow this section.

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

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

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

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

Financial Analysis of the District as a Whole

The District's net position at September 30, 2024, was negative $5,511,565. The District's net position is negative because the District incurs debt to construct road facilities which it conveys to Fort Bend County. A comparative summary of the District's overall financial position, as of September 30, 2024 and 2023, is as follows:

	2024	2023
Current and other assets	$ 3,162,925	$ 3,504,365
Capital assets	23,662,634	18,056,321
Total assets	26,825,559	21,560,686
Current liabilities	8,158,806	6,877,404
Long-term liabilities	24,178,318	15,455,710
Total liabilities	32,337,124	22,333,114
Net position		
Net investment in capital assets	(4,159,630)	(660,879)
Restricted	654,023	
Unrestricted	(2,005,958)	(111,549)
Total net position	$ (5,511,565)	$ (772,428)

The total net position of the District decreased during the current fiscal year by $4,739,137. A comparative summary of the District's *Statement of Activities* for the past two years is as follows:

	2024	2023
Revenues		
Monthly connection charges	$ 1,177,701	$ 814,652
Groundwater pumpage fees	378,071	
Renewal and replacement charges	18,848	
Capacity charges	382,904	
Other	106,825	839
Total revenues	2,064,349	815,491
Expenses		
Current service operations	1,050,685	735,900
Debt interest and fees	373,073	30,295
Developer interest	750,451	
Debt issuance costs	1,214,022	77,000
Depreciation and amortization	650,328	429,064
Total expenses	4,038,559	1,272,259
Change in net position before other items	(1,974,210)	(456,768)
Other items		
Master district developer advances adjustment		35,164
Other non-recurring gains/(losses)		(284,567)
Transfers to other governments	(2,764,927)	
Change in net position	(4,739,137)	(706,171)
Net position, beginning of year	(772,428)	(66,257)
Net position, end of year	$ (5,511,565)	$ (772,428)

Financial Analysis of the District's Funds

The District's combined fund balances, as of September 30, 2024, were $3,065,122, which consists of $1,032,868 in the General Fund, $865,143 in the Debt Service Fund, and $1,167,111 in the Capital Projects Fund.

General Fund

A comparative summary of the General Fund's financial position as of September 30, 2024 and 2023, is as follows:

	2024	2023
Total assets	$ 1,120,444	$ 231,533
Total liabilities	$ 87,576	$ 143,765
Total fund balance	1,032,868	87,768
Total liabilities and fund balance	$ 1,120,444	$ 231,533

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

	2024	2023
Total revenues	$ 2,042,609	$ 814,659
Total expenditures	(1,097,509)	(793,058)
Revenues over expenditures	945,100	21,601
Other changes in fund balance		57,000
Net change in fund balance	$ 945,100	$ 78,601

The District manages its activities with the objectives of ensuring that expenditures will be adequately covered by revenues each year and that an adequate fund balance is maintained. The District's primary financial resources in the General Fund are charges to participating districts within the Master District service area for monthly connection costs, groundwater pumpage fees and the renewal and replacement fees of District facilities. Financial resources are influenced by a variety of factors each year.

- Monthly connection charges are billed to participating districts for the operation and maintenance of regional facilities. The amount the District charges based upon a unit cost per equivalent single-family connection reserved for each participating district.
- Groundwater pumpage fees and renewal and replacement charges are billed based on the amount of metered water pumped by each district.

Debt Service Fund

The District issued bonded debt during the current fiscal year pursuant to a Bond Resolution adopted by the Board. As required by the Bond Resolution, a Debt Service Fund was established to account for the accumulation of financial resources restricted for debt service purposes. A summary of the financial position as of September 30, 2024, is as follows:

Total assets	$ 865,143
Total fund balance	$ 865,143

A summary of activities of the Debt Service Fund for the current year is as follows:

Total revenues	$ 18,205
Total expenditures	-
Revenues over expenditures	18,205
Other changes in fund balance	846,938
Net change in fund balance	$ 865,143

The District's financial resources in the Debt Service Fund in the current year are from capitalized interest from the sale of bonds.

Capital Projects Fund

A comparative summary of the Capital Projects Fund's financial position as of September 30, 2024 and 2023, is as follows:

	2024	2023
Total assets	$ 1,177,338	$ 3,272,832
Total liabilities	$ 10,227	$ 3,260,847
Total fund balance	1,167,111	11,985
Total liabilities and fund balance	$ 1,177,338	$ 3,272,832

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

	2024	2023
Total revenues	$ 3,535	$ 832
Total expenditures	(14,941,300)	(3,166,597)
Revenues under expenditures	(14,937,765)	(3,165,765)
Other changes in fund balance	16,092,891	3,177,750
Net change in fund balance	$ 1,155,126	$ 11,985

The District has had considerable capital asset activity in the last two years, which was financed with proceeds from the issuance of its Series 2024 Contract Revenue Bonds, Series 2024A Contract Revenue Road Bonds and 2024 Bond Anticipation Note in the current year and issuance of its Series 2023 Bond Anticipation Note in the prior year.

General Fund Budgetary Highlights

The Board of Directors adopts an annual unappropriated budget for the General Fund prior to the beginning of each fiscal year. The Board amended the budget during the year to reflect changes in anticipated revenues.

Since the District's budget is primarily a planning tool, actual results varied from the budgeted amounts. Actual net change in fund balance was $655,300 greater than budgeted. The *Budgetary Comparison Schedule* on page 38 of this report provides variance information per financial statement line item.

Capital Assets

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

Capital assets held by the District at September 30, 2024 and 2023, are summarized as follows:

	2024	2023
Capital assets not being depreciated		
Land and improvements	$ 4,735,537	$ 3,005,202
Capital assets being depreciated/amortized		
Regional facilities	16,840,772	14,892,896
Right-to-use lease asset	637,711	637,711
Landscaping improvements	2,578,430	
	20,056,913	15,530,607
Less accumulated depreciation/amortization		
Regional facilities	(755,621)	(381,379)
Right-to-use lease asset	(245,273)	(98,109)
Landscaping improvements	(128,922)	
	(1,129,816)	(479,488)
Depreciable capital assets, net	18,927,097	15,051,119
Capital assets, net	$ 23,662,634	$ 18,056,321

Capital asset additions during the current fiscal year include the following:

- Cross Creek West Boulevard Extension No. 1 utilities
- Cross Creek West Section 2 and 3 softscape
- Cross Creek West Section 1, 4, and 5 softscape
- Cross Creek West detention Phase 1B softscape
- Cross Creek West detention, Phase 2
- Land acquisitions

Additionally, Fort Bend County assumes responsibility (after a one-year maintenance period) for road facilities constructed within the boundaries of the County. Accordingly, these facilities are not considered assets of the District. The estimated value of these assets is recorded as transfers to other governments upon completion of construction. This estimated cost is trued-up when the developer is reimbursed. For the year ended September 30, 2024, capital assets in the amount of $2,764,927 have been recorded as transfers to other governments in the government-wide statements.

Lease Obligations

During the previous fiscal year, the District was assigned the remaining lease obligation for an interim wastewater treatment plant. The District recognized a lease obligation in the amount of $602,547 for the lease. The balance due for the lease as of September 30, 2024, was $395,050.

Long-Term Debt and Related Liabilities

As of September 30, 2024, the District owes approximately $11,206,664 to the developer for completed projects and operating advances. The initial cost of the completed projects and related liability is estimated based on actual construction costs plus 10-15% for engineering and other fees and is recorded on the District's financial statements upon completion of construction. As discussed in Note 8, the District has an additional commitment in the amount of $6,700,782 for projects under construction by the developer. As noted, the District will owe its developer for these projects upon completion of construction. The District intends to reimburse the developer from proceeds of future bond issues or other lawfully available funds. The estimated cost of amounts owed to the developer is trued up when the developer is reimbursed.

During the current year, the District issued $6,130,000 in contract revenue bonds and $6,585,000 in contract revenue road bonds, all of which were outstanding as of the end of the fiscal year. The District did not have any bonded debt as of September 30, 2023.

At September 30, 2024, the District had the following debt authorizations:

	Amount Authorized by Voters	Amount Issued	Remaining To Be Issued
Unlimited Tax Bonds			
Water, Sewer and Drainage	$ 115,330,000	$ -	$ 115,330,000
Water, Sewer and Drainage Refunding	115,330,000	-	115,330,000
Road	51,860,000	-	51,860,000
Road Refunding	51,860,000	-	51,860,000
Parks and Recreational	57,290,000	-	57,290,000
Parks and Recreational Refunding	57,290,000	-	57,290,000
	448,960,000	-	448,960,000
Master District Contract Revenue Bonds			
Master District Water, Sewer, and Drainage	373,490,000	(6,130,000)	367,360,000
Master District Road Facilities	246,480,000	(6,585,000)	239,895,000
Master District Park Facilities	158,808,000	-	158,808,000
	778,778,000	(12,715,000)	766,063,000
	$ 1,227,738,000	$ (12,715,000)	$ 1,215,023,000

During the current year, the District also issued a $7,700,000 bond anticipation note (BAN) to provide short-term financing for developer reimbursements. The District intends to repay the BAN with proceeds from the issuance of long-term debt. See Note 7 for additional information.

Next Year's Budget

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

	2024 Actual	2025 Budget
Total revenues	$ 2,042,609	$ 1,711,700
Total expenditures	(1,097,509)	(1,832,780)
Revenues over/(under) expenditures	945,100	(121,080)
Beginning fund balance	87,768	1,032,868
Ending fund balance	$ 1,032,868	$ 911,788

Basic Financial Statements

Fort Bend County Municipal Utility District No. 214
Statement of Net Position and Governmental Funds Balance Sheet
September 30, 2024

	General Fund	Debt Service Fund	Capital Projects Fund	Total
Assets				
Cash	$ 907,338	865,143	$ 1,177,338	$ 2,949,819
Due from other governments	185,606			185,606
Prepaid items	27,500			27,500
Capital assets not being depreciated				
Capital assets, net				
Total Assets	$ 1,120,444	$ 865,143	$ 1,177,338	$ 3,162,925
Liabilities				
Accounts payable	$ 87,576	$ -	$ 10,227	$ 97,803
Accrued interest payable				
Bond anticipation note payable				
Due to developer				
Lease obligations				
Due within one year				
Due after one year				
Long-term debt				
Due after one year				
Total Liabilities	87,576		10,227	97,803
Fund Balances/Net Position				
Fund Balances				
Nonspendable	27,500			27,500
Restricted		865,143	1,167,111	2,032,254
Unassigned	1,005,368			1,005,368
Total Fund Balances	1,032,868	865,143	1,167,111	3,065,122
Total Liabilities and Fund Balances	$ 1,120,444	$ 865,143	$ 1,177,338	$ 3,162,925
Net Position				
Net investment in capital assets				
Restricted for debt service				
Unrestricted				
Total Net Position				

See notes to basic financial statements.

Adjustments	Statement of Net Position
$ -	$ 2,949,819
	185,606
	27,500
4,735,537	4,735,537
18,927,097	18,927,097
23,662,634	26,825,559
	97,803
222,607	222,607
7,700,000	7,700,000
11,206,664	11,206,664
138,396	138,396
256,654	256,654
12,715,000	12,715,000
32,239,321	32,337,124
(27,500)	
(2,032,254)	
(1,005,368)	
(3,065,122)	
(4,159,630)	(4,159,630)
654,023	654,023
(2,005,958)	(2,005,958)
$ (5,511,565)	$ (5,511,565)

Fort Bend County Municipal Utility District No. 214
Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances
For the Year Ended September 30, 2024

	General Fund	Debt Service Fund	Capital Projects Fund	Total
Revenues				
Monthly connection charges	$ 1,177,701	$ -	$ -	$ 1,177,701
Groundwater pumpage fees	378,071			378,071
Renewal and replacement charges	18,848			18,848
Capacity charges	382,904			382,904
Miscellaneous	82,810			82,810
Investment earnings	2,275	18,205	3,535	24,015
Total Revenues	2,042,609	18,205	3,535	2,064,349
Expenditures/Expenses				
Current service operations				
Professional fees	142,410		118,016	260,426
Contracted services	111,315			111,315
Repairs and maintenance	317,452			317,452
Utilities	103,904			103,904
Regional water authority fees	219,764			219,764
Administrative	32,574			32,574
Other	5,090		160	5,250
Capital outlay			12,745,393	12,745,393
Debt service				
Principal	127,792			127,792
Debt interest and fees	37,208		113,258	150,466
Developer interest			750,451	750,451
Debt issuance costs			1,214,022	1,214,022
Depreciation and amortization				
Total Expenditures/Expenses	1,097,509		14,941,300	16,038,809
Revenues Over/(Under) Expenditures/Expenses	945,100	18,205	(14,937,765)	(13,974,460)
Other Financing Sources/(Uses)				
Proceeds from sale of bonds		846,938	11,868,062	12,715,000
Proceeds from bond anticipation note			7,700,000	7,700,000
Repayment of bond anticipation note			(3,345,000)	(3,345,000)
Repayment of developer advances			(130,171)	(130,171)
Other Items				
Transfers to other governments				
Net Change in Fund Balances	945,100	865,143	1,155,126	2,965,369
Change in Net Position				
Fund Balances/Net Position				
Beginning of the year	87,768		11,985	99,753
End of the fiscal period	$ 1,032,868	$ 865,143	$ 1,167,111	$ 3,065,122

See notes to basic financial statements.

Adjustments	Statement of Activities
$ -	$ 1,177,701
	378,071
	18,848
	382,904
	82,810
	24,015
	2,064,349
	260,426
	111,315
	317,452
	103,904
	219,764
	32,574
	5,250
(12,745,393)	
(127,792)	
222,607	373,073
	750,451
	1,214,022
650,328	650,328
(12,000,250)	4,038,559
12,000,250	(1,974,210)
(12,715,000)	
(7,700,000)	
3,345,000	
130,171	
(2,764,927)	(2,764,927)
(2,965,369)	
(4,739,137)	(4,739,137)
(872,181)	(772,428)
$ (8,576,687)	$ (5,511,565)

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Note 1 – Summary of Significant Accounting Policies

The accounting policies of Fort Bend County Municipal Utility District No. 214 (the "District") conform with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board ("GASB"). The following is a summary of the most significant policies:

Creation

The District was organized, created and established pursuant to an order of the Texas Natural Resource Conservation Commission, dated February 19, 2002 and was originally named Fort Bend – Waller Counties Municipal Utility District No. 1. The District operates in accordance with the Texas Water Code, Chapters 49 and 54, as amended. The Board of Directors held its first meeting on December 18, 2012. On August 15, 2013, the Texas Commission on Environmental Quality ("TCEQ") issued an order authorizing changing the District name to Fort Bend County Municipal Utility District No. 214.

The District's primary activities include construction, maintenance and operation of water, sewer, and drainage facilities, road improvements, and park and recreational facilities for the benefit of land within the boundaries of the District, as well as the construction of regional water, sewer, drainage, road, and park facilities within the Master District service area (see Note 5 for additional information). The District has contracted with various consultants to provide services to operate and administer the affairs of the District. The District has no employees, related payroll or pension costs.

Reporting Entity

The District is a political subdivision of the State of Texas governed by an elected five-member board. The GASB has established the criteria for determining the reporting entity for financial statement reporting purposes. To qualify as a primary government, a government must have a separately elected governing body, be legally separate, and be fiscally independent of other state and local governments, while a component unit is a legally separate government for which the elected officials of a primary government are financially accountable. Fiscal independence implies that the government has the authority to adopt a budget, levy taxes, set rates, and/or issue bonds without approval from other governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District's financial statements as component units.

Government-Wide and Fund Financial Statements

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

Note 1 – Summary of Significant Accounting Policies (continued)

Government-Wide and Fund Financial Statements (continued)

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

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

- The General Fund is used to account for the operation and maintenance of the regional water and sewer system and all other financial transactions not reported in other funds. The principal sources of revenue are amounts billed to participating districts. Expenditures include costs associated with the daily operations of the District and regional facilities.
- The Debt Service Fund is used to account for the payment of interest and principal on the District's general long-term debt. The primary sources of revenue for debt service are contract tax payments from participant districts in the Master District service area and property taxes. During the current year, financial resources consisted of capitalized interest from the sale of bonds. Expenditures include costs incurred in assessing and collecting these taxes.
- The Capital Projects Fund is used to account for the expenditures of bond proceeds for the construction of the regional water, sewer, drainage park and recreational facilities and roads facilities.

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

Measurement Focus and Basis of Accounting

The government-wide financial statements use the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

The fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized in the accounting period in which it becomes both available and measurable to finance expenditures of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Revenues susceptible to accrual include connection charges, interest earned on investments and income from District operations. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for unmatured interest on long-term debt, which is recognized when due.

Note 1 – Summary of Significant Accounting Policies (continued)

Measurement Focus and Basis of Accounting (continued)

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

Use of Restricted Resources

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

Prepaid Items

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

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Receivables from and payables to external parties are reported separately and are not offset, unless a legal right of offset exists. At September 30, 2024, an allowance for uncollectible accounts was not considered necessary.

Interfund Activity

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

Capital Assets

Capital assets do not provide financial resources at the fund level, and, therefore, are reported only in the government-wide statements. The District defines capital assets as assets with an initial cost of $50,000 or more and an estimated useful life in excess of one year. Capital assets that individually are below the capitalization threshold but, in the aggregate, are above the threshold are capitalized. Subsequent replacements of these assets are not capitalized. Capital assets are recorded at historical cost or estimated historical cost. Right-to-use leased assets are valued at the present value of lease payments. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire the asset on the acquisition date. The District has not capitalized interest incurred during the construction of its capital assets. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Note 1 – Summary of Significant Accounting Policies (continued)

Capital Assets (continued)

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

Assets	Useful Life
Regional facilities	45 years
Right-to-use leased assets	Remaining life of lease agreement
Landscaping improvements	20 years

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

Net Position – Governmental Activities

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

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

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

Unrestricted – resources not included in the other components.

Fund Balances – Governmental Funds

Governmental accounting standards establish the following fund balance classifications:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The District's nonspendable fund balance consists of prepaid items.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. The District's restricted fund balances consist of unspent bond proceeds in the Capital Projects Fund and capitalized interest from the sale of bonds in the Debt Service Fund.

Note 1 – Summary of Significant Accounting Policies (continued)

Fund Balances – Governmental Funds (continued)

Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The District does not have any committed fund balances.

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

Unassigned - all other spendable amounts in the General Fund.

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

Use of Estimates

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

Note 2 – Adjustment from Governmental to Government-wide Basis

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

Total fund balance, governmental funds		$ 3,065,122
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
Historical cost	$ 24,792,450	
Less accumulated depreciation/amortization	(1,129,816)	
Change due to capital assets		23,662,634
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. The difference consists of:		
Bonds payable	(12,715,000)	
Bond anticipation note payable	(7,700,000)	
Accrued interest payable	(222,607)	
Change due to long-term debt		(20,637,607)
Amounts due to the District's developer for prefunded construction and operating advances are recorded as a liability in the *Statement of Net Position.*		(11,206,664)
Obligations under capital leases are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		(395,050)
Total net position - governmental activities		$ (5,511,565)

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

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

Net change in fund balances - total governmental funds		$ 2,965,369
Governmental funds report capital outlays for developer reimbursements and construction costs as expenditures in the funds; however, in the *Statement of Activities,* the cost of capital assets is charged to expense over the estimated useful life of the asset. Public roads conveyed to Fort Bend County are recorded as transfers to other governments.		
Capital outlays	$ 12,745,393	
Depreciation/amortization expense	(650,328)	
Transfers to other governments	(2,764,927)	
		9,330,138
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal uses current financial resources. However, neither transaction has any effect on net assets. Other elements of debt financing are reported differently between the fund and government wide statements.		
Issuance of long term debt	(12,715,000)	
Issuance of bond anticipation note	(7,700,000)	
Repayment of bond anticipation note	3,345,000	
Interest expense accrual	(222,607)	
		(17,292,607)
Governmental funds report the principal portion of lease payments as expenditures in the funds; however, in the *Statement of Net Position*, these payments are recorded as a reduction to the long-term lease liability.		127,792
Amounts repaid to the District's developer for operating advances use financial resources at the fund level, but reduce the liability in the *Statement of Net Position*.		130,171
Change in net position of governmental activities		$ (4,739,137)

Note 3 – Implementation of New Accounting Guidance

During the current fiscal year, the District implemented GASB Implementation Guide ("GASBIG") 2021-1, Question 5.1, which requires the capitalization of the acquisition of a group of individual capital assets whose individual acquisition costs are less than the capitalization threshold when the cost of the acquisition of the assets in the aggregate is significant. This new guidance had no effect on the District's financial statements during the current fiscal year.

Note 4 – Deposits and Investments

Deposit Custodial Credit Risk

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

Investments

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

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

Note 5 – Master District

On January 7, 2022, the District, in its capacity as "Master District", entered into a contract with Fort Bend County Municipal District No. 195 ("MUD 195"), and Fort Bend County Municipal District No. 198 ("MUD 198") (together with the District and MUD 195, the "Participants") for the financing, operation, and maintenance of regional water, sanitary sewer, storm sewer, park, road and other joint facilities (the "Contract") necessary to serve all districts located within the Master District's service area.

Note 5 – Master District (continued)

The Contract authorizes the establishment of an operating and maintenance reserve by the Master District equivalent to three months' operating and maintenance expenses, as set forth in the Master District's annual budget. Prior to commencement of services, the Master District shall bill MUD 195 and MUD 198 an amount calculated by multiplying the monthly fee (as defined below) by three in order to provide the initial funding required to establish the reserve. The Master District shall adjust the reserve as needed, not less than annually.

Upon commencement of services, the Master District will charge each Participant a monthly fee based on the unit cost per connection multiplied by the number of equivalent single-family connections reserved to the District. As of September 30, 2024, the monthly fee was $191 equivalent single-family connection.

A summary of amounts billed to participant districts during the current year is as follows:

	MUD 195	MUD 198	Total
Monthly connection charges	$ 143,257	$ 1,034,444	$ 1,177,701
Groundwater pumpage fees	50,866	327,205	378,071
Renewal and replacement charges	2,825	16,023	18,848
	$ 196,948	$ 1,377,672	$ 1,574,620

Renewal and Replacement

On July 18, 2022, the District, in its Master District capacity, entered into an Interlocal Agreement for Renewal and Replacement Fee with MUD 195 and MUD 198 for the purpose of accumulating funds for future renewal and replacement repairs to regional facilities. The District will create and establish a Renewal and Replacement Fund (the "Fund"), which shall be accounted for separately and which moneys in the Fund may only be used for renewal and replacement costs of regional facilities, at the District's sole discretion. The initial fee is $0.25 per 1,000 gallons of water purchased by customers within the participating districts. In no event will the District charge more than $1.50 per 1,000 gallons without written approval of the Participants. This fee will continue for forty years from the effective date and will remain until either Party is annexed and dissolved by the City of Fulshear.

Master District Debt Service

The District, in its capacity as the Master District, is authorized to issue contract revenue bonds for the purpose of acquiring and constructing regional facilities needed to provide services to all Participants. All Participants shall contribute to the payment of debt service requirements based on its pro rata share of the total certified assessed valuation of all Participants. As of September 30, 2024, the Master District had $12,715,000 in contract revenue bonds outstanding.

Note 5 – Master District (continued)

Water Authority Billing

A portion of the Master District's service area, including the entirety of the District, is located within the boundaries of the West Fort Bend Water Authority ("WFBWA") and a portion of the Master District's service area, not including the District, is located within the boundaries of the North Fort Bend Water Authority ("NFBWA"). Both the WFBWA and the NFBWA were created by the Texas Legislature and are political subdivisions of the State of Texas created to provide a regional entity to acquire surface water and build the necessary facilities to convert from groundwater to surface water in order to meet conversion requirements mandated by the Harris-Galveston Subsidence District, which regulates groundwater withdrawal.

The Master District's water plant is located within the boundaries of the WFBWA, which has not yet been activated and does not currently assess a fee for groundwater pumped within its boundaries. However, during the current fiscal year, the NFBWA assessed a fee for all groundwater pumped from the Master District's water plant that was imported into the NFBWA's boundary, including water provided to certain portions of MUD 198, which is partially within the boundaries of the NFBWA.

As of January 1, 2022, the NFBWA's rates are $4.55 per 1,000 gallons of groundwater pumped by the Master District. The Master District bills participant districts for pumpage fees actually collected from their residents pursuant to their Rate Orders.

Note 6 – Capital Assets

A summary of changes in capital assets, for the year ended September 30, 2024, is as follows:

	Beginning Balances	Additions/ Adjustments	Ending Balances
Capital assets not being depreciated			
Land and improvements	$ 3,005,202	$ 1,730,335	$ 4,735,537
Capital assets being depreciated/amortized			
Regional facilities	14,892,896	1,947,876	16,840,772
Right-to-use lease asset	637,711		637,711
Landscaping improvements		2,578,430	2,578,430
	15,530,607	4,526,306	20,056,913
Less accumulated depreciation/amortization			
Regional facilities	(381,379)	(374,242)	(755,621)
Right-to-use lease asset	(98,109)	(147,164)	(245,273)
Landscaping improvements		(128,922)	(128,922)
	(479,488)	(650,328)	(1,129,816)
Subtotal depreciable capital assets, net	15,051,119	3,875,978	18,927,097
Capital assets, net	$ 18,056,321	$ 5,606,313	$ 23,662,634

Note 6 – Capital Assets (continued)

Depreciation/amortization expense for the current fiscal year was $650,328.

Note 7 – Bond Anticipation Note

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

At the beginning of the fiscal year, the District had a BAN outstanding in the amount of $3,345,000. This BAN was repaid on May 9, 2024, with proceeds from the issuance of the District's Series 2024 Contract Revenue Bonds.

On September 19, 2024, the District issued a $7,700,000 BAN with an interest rate of 4.95%, which is due on September 18, 2025. This BAN will be repaid subsequent to year end.

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

Beginning balance	$ 3,345,000
Amounts borrowed	7,700,000
Amounts repaid	(3,345,000)
Ending balance	$ 7,700,000

Note 8 – Due to Developer

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

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

Note 8 – Due to Developer (continued)

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

Due to developer, beginning of year	$ 18,317,507
Developer reimbursements	(16,002,241)
Developer funded construction and adjustments	9,021,569
Repayment of operating advances	(130,171)
Due to developer, end of year	$ 11,206,664

In addition, the District will owe the developer approximately $6,700,782, which is included in the following schedule of contractual commitments. The exact amount is not known until approved by the TCEQ and verified by the District's auditor. As previously noted, these projects will be reported in the government-wide financial statements upon completion of construction.

	Contract Amount	Percent Complete
Fulshear Bend Drive Street Dedication No. 1	$ 424,111	39%
Cross Creek West Detention Channels Phase 3	1,722,006	14%
Wastewater Treatment Plant Phase 2	441,983	-
The Landing Phase 2 landscaping	981,823	90%
Detention Phase 2 package 1	779,423	88%
Detention Phase 2 package 2	644,488	90%
Section 6 and 9 Phase 2 landscape	1,197,570	89%
Section 7 Phase 2 landscape	509,378	82%
	$ 6,700,782	

Note 9 – Lease Obligations

On February 9, 2023, the District and MUD 198 entered into an Assignment and Assumption Agreement for a wastewater treatment plant lease agreement, pursuant to which, the District acquired ownership and maintenance responsibility of the leased facilities from MUD 198. This lease was a 60-month term at rate of 8% with payments commencing June 1, 2022. The monthly payments for the lease are $13,750. The lease agreement automatically extends on a month-to-month basis after the initial term, unless otherwise terminated. The District is responsible for all ordinary expenses related to repairing and maintaining the equipment.

As the result of the assignment, the District recorded a right-to-use leased asset in the amount of $637,711 based on the remaining book value of the right-to-use leased asset from MUD 198. The remaining balance of the liability at September 30, 2024, is $395,050. During the current year, the District incurred the total lease payments of $165,000, which includes principal of $127,792 and interest of $37,208.

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

Note 9 – Lease Obligations (continued)

Annual requirements to amortize long-term lease obligations and related interest are as follows:

Year Ended	Principal	Interest	Total
2025	$ 138,396	$ 26,604	$ 165,000
2026	149,884	15,116	165,000
2027	106,770	3,230	110,000
	$ 395,050	$ 44,950	$ 440,000
Due within one year	$ 138,396	$ 26,604	$ 165,000

Note 10 – Long-Term Debt

Long-term debt is comprised of the following:

Bonds payable	$ 12,715,000
Due within one year	$ -

The District's bonds payable at September 30, 2024, consists of contract revenue bonds as follows:

Series	Amounts Outstanding	Original Issue	Interest Rates	Maturity Date, Serially, Beginning/ Ending	Interest Payment Dates	Call Dates
2024	$ 6,130,000	$ 6,130,000	4.00% - 6.50%	November 1, 2026/2050	November 1, May 1	November 1, 2031
2024A Road	6,585,000	6,585,000	4.00% - 6.50%	November 1, 2026/2050	November 1, May 1	November 1, 2031
	$ 12,715,000					

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

Note 10 – Long-Term Debt (continued)

At September 30, 2024, the District had the following debt authorizations:

	Amount Authorized by Voters	Amount Issued	Remaining To Be Issued
Unlimited Tax Bonds			
Water, Sewer and Drainage	$ 115,330,000	$ -	$ 115,330,000
Water, Sewer and Drainage Refunding	115,330,000	-	115,330,000
Road	51,860,000	-	51,860,000
Road Refunding	51,860,000	-	51,860,000
Parks and Recreational	57,290,000	-	57,290,000
Parks and Recreational Refunding	57,290,000	-	57,290,000
	448,960,000	-	448,960,000
Master District Contract Revenue Bonds			
Master District Water, Sewer, and Drainage	373,490,000	(6,130,000)	367,360,000
Master District Road Facilities	246,480,000	(6,585,000)	239,895,000
Master District Park Facilities	158,808,000	-	158,808,000
	778,778,000	(12,715,000)	766,063,000
	$ 1,227,738,000	$ (12,715,000)	$ 1,215,023,000

On May 9, 2024, the District issued its $6,130,000 Series 2024 Contract Revenue Bonds at a net effective interest rate of 4.384055%. Proceeds of the bonds were used to (1) reimburse the developer for the cost of regional assets constructed within the Master District service area plus interest expense at the net effective interest rate of the bonds; (2) to repay a $3,345,000 BAN issued in the previous fiscal year; and (3) to pay capitalized interest into the Debt Service Fund.

On May 9, 2024, the District issued its $6,585,000 Series 2024A Contract Revenue Road Bonds at a net effective interest rate of 4.384262%. Proceeds of the bonds were used to (1) reimburse the developer for the cost of regional road facilities constructed within the Master District service area; (2) to pay developer interest at the net effective interest rate of the bonds; and (3) to pay capitalized interest into the Debt Service Fund.

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

Bonds payable, beginning of year	$ -
Bonds issued	12,715,000
Bonds payable, end of year	$ 12,715,000

Note 10 – Long-Term Debt (continued)

As of September 30, 2024, annual debt service requirements on contract revenue bonds outstanding are as follows:

Year	Principal	Interest	Totals
2025	$ -	$ 552,078	$ 552,078
2026		564,625	564,625
2027	280,000	555,526	835,526
2028	290,000	537,000	827,000
2029	300,000	517,826	817,826
2030	320,000	497,676	817,676
2031	330,000	476,550	806,550
2032	350,000	454,450	804,450
2033	365,000	434,972	799,972
2034	385,000	419,169	804,169
2035	400,000	403,469	803,469
2036	415,000	387,169	802,169
2037	435,000	370,169	805,169
2038	460,000	352,269	812,269
2039	480,000	333,469	813,469
2040	505,000	313,769	818,769
2041	530,000	293,069	823,069
2042	550,000	271,469	821,469
2043	580,000	248,869	828,869
2044	610,000	225,069	835,069
2045	635,000	200,169	835,169
2046	665,000	173,753	838,753
2047	695,000	145,703	840,703
2048	730,000	116,311	846,311
2049	765,000	85,477	850,477
2050	800,000	52,699	852,699
2051	840,000	17,848	857,848
	$ 12,715,000	$ 9,000,622	$ 21,715,622

Note 11 – Property Taxes

On November 8, 2022, the voters of the District authorized the District's Board of Directors to levy taxes annually for use in financing general operations limited to $1.50 per $100 of assessed value and a road maintenance tax limited to $0.25 per $100 of assessed value.

Note 12 – Transfers to Other Governments

Fort Bend County assumes responsibility for the maintenance of public roads constructed within the county limits. Accordingly, road facilities are considered to be capital assets of Fort Bend County, not the District and are recorded as transfers to other governments on the *Statement of Activities* upon completion of construction. This cost is trued-up when the developer is subsequently reimbursed. For the year ended September 30, 2024, the District recorded transfers to other governments in the amount of $2,764,927 for road facilities constructed by a developer within the District.

Note 13 – Capacity Charges

On May 9, 2024, the District and Lamar Consolidated Independent School District ("LCISD") entered into an agreement whereby the District has agreed to provide 14,040 gallons per day ("gpd") of water services and 4,465 gpd of sewer services to a 1,396 acre tract to serve LCISD. During the current year, the District received a one-time capital payment of $382,904 in consideration for this capacity.

Note 14 – Risk Management

The District is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and personal injuries. The risk of loss is covered by commercial insurance. There have been no significant reductions in insurance coverage from the prior year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Note 15 – Economic Dependency

The developer continues to own a substantial portion of the taxable property within the District. The developer's willingness to pay property taxes will directly affect the District's ability to meet its future obligations. The District is also dependent on its participating Districts in making timely payments to billings in order to meet the debt service requirements. Failure of participants to continue making payments could result in defaults.

Note 16 – Subsequent Event

On November 25, 2024, the District entered into an equipment lease agreement for 0.30 MGD wastewater treatment plant phase II with AUC Group, LLC. The lease is for a 60-month term at rate of 11%. The lease agreement shall automatically be extended on a month-to-month basis after the initial term, unless otherwise terminated. The District is responsible for all ordinary expenses related to repairing and maintaining the equipment. Monthly payments for the lease are $29,760, which includes principal and interest components. First and last month of lease due upon effective date is $59,520.

Required Supplementary Information

Fort Bend County Municipal Utility District No. 214
Required Supplementary Information - Budgetary Comparison Schedule - General Fund
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Monthly connection charges	$ 988,584	$ 988,584	$ 1,177,701	$ 189,117
Groundwater pumpage fees	328,704	328,704	378,071	49,367
Renewal and replacement charges	16,050	16,050	18,848	2,798
Capacity charges			382,904	382,904
Miscellaneous		75,000	82,810	7,810
Investment earnings			2,275	2,275
Total Revenues	1,333,338	1,408,338	2,042,609	634,271
Expenditures				
Current service operations				
Professional fees	190,000	190,000	142,410	47,590
Contracted services	189,200	189,200	111,315	77,885
Repairs and maintenance	146,050	146,050	317,452	(171,402)
Utilities	100,000	100,000	103,904	(3,904)
Regional water authority fees	243,288	243,288	219,764	23,524
Administrative	67,500	67,500	32,574	34,926
Other	17,500	17,500	5,090	12,410
Debt service				
Lease - principal	165,000	165,000	127,792	37,208
Lease - interest			37,208	(37,208)
Total Expenditures	1,118,538	1,118,538	1,097,509	21,029
Revenues Over Expenditures	214,800	289,800	945,100	655,300
Fund Balance				
Beginning of the year	87,768	87,768	87,768	
End of the year	$ 302,568	$ 377,568	$ 1,032,868	$ 655,300

Budgets and Budgetary Accounting

An annual unappropriated budget is adopted for the General Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. The budget was amended during the year to reflect changes in anticipated revenues.

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Texas Supplementary Information

1. Services provided by the District during the fiscal year:

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

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

[ ] Other (Specify): ______

2. Retail Service Providers N/A

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

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

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

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

b. Water and Wastewater Retail Connections:

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

See accompanying auditor's report.

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

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

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

Does the District have Debt Service standby fees? Yes [ ] No [X]

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

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

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

5. Location of District:

Is the District located entirely within one county? Yes [X] No [ ]

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

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

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

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

Entirely [X] Partly [ ] Not at all [ ]

ETJs in which the District is located: City of Fulshear

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

If Yes, by whom? ____

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 214
TSI-2. General Fund Expenditures
For the Year Ended September 30, 2024

Professional fees	
Legal	$ 50,313
Audit	14,000
Engineering	78,097
	142,410
Contracted services	
Bookkeeping	21,950
Service account collection	73,273
Garbage collection	1,624
Sludge removal	14,468
	111,315
Repairs and maintenance	317,452
Utilities	103,904
Regional water authority fees	219,764
Administrative	
Directors fees	7,072
Printing and office supplies	1,235
Insurance	22,122
Other	2,145
	32,574
Other	5,090
Lease	
Principal	127,792
Interest	37,208
	165,000
Total expenditures	$ 1,097,509

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 214
TSI-5. Long-Term Debt Service Requirements
Series 2024--by Years
September 30, 2024

Due During Fiscal Years Ending	Principal Due November 1	Interest Due November 1, May 1	Total
2025	$ -	$ 266,127	$ 266,127
2026		272,175	272,175
2027	135,000	267,788	402,788
2028	140,000	258,850	398,850
2029	145,000	249,588	394,588
2030	155,000	239,838	394,838
2031	160,000	229,600	389,600
2032	170,000	218,875	388,875
2033	175,000	209,522	384,522
2034	185,000	201,994	386,994
2035	195,000	194,394	389,394
2036	200,000	186,494	386,494
2037	210,000	178,294	388,294
2038	220,000	169,694	389,694
2039	230,000	160,694	390,694
2040	245,000	151,194	396,194
2041	255,000	141,194	396,194
2042	265,000	130,794	395,794
2043	280,000	119,894	399,894
2044	295,000	108,394	403,394
2045	305,000	96,394	401,394
2046	320,000	83,694	403,694
2047	335,000	70,184	405,184
2048	350,000	56,055	406,055
2049	370,000	41,205	411,205
2050	385,000	25,393	410,393
2051	405,000	8,605	413,605
	$ 6,130,000	$ 4,336,927	$ 10,466,927

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 214
TSI-5. Long-Term Debt Service Requirements
Series 2024A Road--by Years
September 30, 2024

Due During Fiscal Years Ending	Principal Due November 1	Interest Due November 1, May 1	Total
2025	$ -	$ 285,951	$ 285,951
2026		292,450	292,450
2027	145,000	287,738	432,738
2028	150,000	278,150	428,150
2029	155,000	268,238	423,238
2030	165,000	257,838	422,838
2031	170,000	246,950	416,950
2032	180,000	235,575	415,575
2033	190,000	225,450	415,450
2034	200,000	217,175	417,175
2035	205,000	209,075	414,075
2036	215,000	200,675	415,675
2037	225,000	191,875	416,875
2038	240,000	182,575	422,575
2039	250,000	172,775	422,775
2040	260,000	162,575	422,575
2041	275,000	151,875	426,875
2042	285,000	140,675	425,675
2043	300,000	128,975	428,975
2044	315,000	116,675	431,675
2045	330,000	103,775	433,775
2046	345,000	90,059	435,059
2047	360,000	75,519	435,519
2048	380,000	60,256	440,256
2049	395,000	44,272	439,272
2050	415,000	27,306	442,306
2051	435,000	9,243	444,243
	$ 6,585,000	$ 4,663,695	$ 11,248,695

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 214
TSI-5. Long-Term Debt Service Requirements
All Bonded Debt Series--by Years
September 30, 2024

Due During Fiscal Years Ending	Principal Due November 1	Interest Due November 1, May 1	Total
2025	$ -	$ 552,078	$ 552,078
2026		564,625	564,625
2027	280,000	555,526	835,526
2028	290,000	537,000	827,000
2029	300,000	517,826	817,826
2030	320,000	497,676	817,676
2031	330,000	476,550	806,550
2032	350,000	454,450	804,450
2033	365,000	434,972	799,972
2034	385,000	419,169	804,169
2035	400,000	403,469	803,469
2036	415,000	387,169	802,169
2037	435,000	370,169	805,169
2038	460,000	352,269	812,269
2039	480,000	333,469	813,469
2040	505,000	313,769	818,769
2041	530,000	293,069	823,069
2042	550,000	271,469	821,469
2043	580,000	248,869	828,869
2044	610,000	225,069	835,069
2045	635,000	200,169	835,169
2046	665,000	173,753	838,753
2047	695,000	145,703	840,703
2048	730,000	116,311	846,311
2049	765,000	85,477	850,477
2050	800,000	52,699	852,699
2051	840,000	17,848	857,848
	$ 12,715,000	$ 9,000,622	$ 21,715,622

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 214
TSI-6. Change in Long-Term Bonded Debt
September 30, 2024

	Bond Issue		
	Series 2024	Series 2024A Road	Totals
Interest rate	4.00% - 6.50%	4.00% - 6.50%	
Dates interest payable	11/1 ; 5/1	11/1 ; 5/1	
Maturity dates	11/1/26 - 11/1/50	11/1/26 - 11/1/50	
Beginning bonds outstanding	$ -	$ -	$ -
Bonds issued	6,130,000	6,585,000	12,715,000
Ending bonds outstanding	$ 6,130,000	$ 6,585,000	$ 12,715,000
Interest paid during fiscal year	$ -	$ -	$ -
Paying agent's name and city			
All Series	BOKF, NA, Dallas, Texas		

	Amount Authorized by Voters	Amount Issued	Remaining To Be Issued
Unlimited Tax Bonds			
Water, Sewer and Drainage	$ 115,330,000	$ -	$ 115,330,000
Water, Sewer and Drainage Refunding	115,330,000	-	115,330,000
Road	51,860,000	-	51,860,000
Road Refunding	51,860,000	-	51,860,000
Parks and Recreational	57,290,000	-	57,290,000
Parks and Recreational Refunding	57,290,000	-	57,290,000
	448,960,000	-	448,960,000
Master District Contract Revenue Bonds			
Master District Water, Sewer, and Drainage	373,490,000	(6,130,000)	367,360,000
Master District Road Facilities	246,480,000	(6,585,000)	239,895,000
Master District Park Facilities	158,808,000	-	158,808,000
	778,778,000	(12,715,000)	766,063,000
	$ 1,227,738,000	$ (12,715,000)	$ 1,215,023,000

The District's Contract Tax Bonds are secured with contract tax revenues collected from participating districts. The Unlimited Tax Bonds, once issued, will be secured with tax revenues. Bonds may also be secured with other revenues in combination with taxes.

Debt Service Fund cash and investments balance as of September 30, 2024:	$ 865,143
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 804,282

See accompanying auditors' report.

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Fort Bend County Municipal Utility District No. 214
TSI-7a. Comparative Schedule of Revenues and Expenditures - General Fund
For the Last Three Fiscal Years

	Amounts		
	2024	2023	2022**
Revenues			
Monthly connection charges	$ 1,177,701	$ 814,652	$ -
Groundwater pumpage fees	378,071		
Renewal and replacement charges	18,848		
Capacity charges	382,904		
Miscellaneous	82,810		
Investment earnings	2,275	7	
Total Revenues	2,042,609	814,659	
Expenditures			
Current service operations			
Professional fees	142,410	111,083	10,101
Contracted services	111,315	86,873	5,732
Repairs and maintenance	317,452	188,443	
Utilities	103,904	39,567	
Regional water authority fees	219,764	216,256	
Administrative	32,574	33,026	
Other	5,090	7,810	
Debt service			
Lease - principal	127,792	79,705	
Lease - interest	37,208	30,295	
Total Expenditures	1,097,509	793,058	15,833
Revenues Over/(Under) Expenditures	$ 945,100	$ 21,601	$ (15,833)

*Percentage is negligible
**Unaudited
See accompanying auditor's report.

Percent of Fund Total Revenues		
2024	2023	2022**
58%	100%	-%
19%		
1%		
19%		
4%		
*	*	
101%	100%	-
7%	14%	-
5%	11%	-
16%	23%	
5%	5%	
11%	27%	
2%	4%	
*	1%	
6%	10%	
2%	4%	
54%	99%	-
47%	1%	-

Fort Bend County Municipal Utility District No. 214
TSI-7b. Comparative Schedule of Revenues and Expenditures - Debt Service Fund
For the Current Fiscal Year

	Amounts	Percent of Fund Total Revenues
	2024	2024
Revenues		
Investment earnings	$ 18,205	-%
Total Expenditures		
Revenues Over Expenditures	$ 18,205	-

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 214
TSI-8. Board Members, Key Personnel and Consultants
For the Year Ended September 30, 2024

Complete District Mailing Address:	3200 Southwest Freeway, Suite 2600, Houston, TX 77027
District Business Telephone Number:	(713) 860-6400
Submission Date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):	May 17, 2024
Limit on Fees of Office that a Director may receive during a fiscal year: (Set by Board Resolution -- TWC Section 49.060)	$ 7,200

Names:	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid *	Expense Reimbursements	Title at Year End
Board Members				
Roshell S. Arterburn	5/24 - 5/28	$ 1,105	$ 105	President
John Mahon	5/24 - 5/28	1,326	137	Vice President
Paul Cornett	1/22 - 5/26	1,105	56	Secretary
Kimberly A. Koehn	7/22 - 5/26	1,547	112	Assistant Secretary
Lindsey Upton	6/23 - 5/26	1,989	60	Assistant Vice President

Consultants		Amounts Paid		
Allen Boone Humphries Robinson LLP	2012			Attorney
General legal fees		$ 73,513		
Bond counsel		424,058		
Si Environmental, LLC	2022	134,348		Operator
Myrtle Cruz, Inc.	2022	35,221		Bookkeeper
BGE, Inc.	2022	76,884		Engineer
McGrath & Co., PLLC	2022	35,750		Auditor
Robert W Baird & Co. Incorporated	2022	333,884		Financial Advisor
SWA Group	2022			Landscape Architect

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

See accompanying auditor's report.

APPENDIX C
SPECIMEN MUNICIPAL BOND INSURANCE POLICY

MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

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

Effective Date: _________

Risk Premium: $__________
Member Surplus Contribution: $ _________
Total Insurance Payment: $_________

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

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

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

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

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

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

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

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: ____

Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
200 Liberty Street, 27th floor
New York, New York 10281
Telecopy:
212-962-1524 (attention: Claims)