

OFFICIAL STATEMENT DATED MAY 6, 2020

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. SEE "TAX MATTERS" FOR A DISCUSSION OF THE OPINION OF BOND COUNSEL.

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

NEW ISSUE - Book-Entry-Only

\$810,000

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 192

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

UNLIMITED TAX ROAD BONDS, SERIES 2020

Dated: June 1, 2020

Due: September 1, as shown below

Principal of the Bonds will be payable at stated maturity or redemption upon presentation of the Bonds at the principal payment office of the paying agent/registrar, initially The Bank of New York Mellon Trust Company, N.A. (the "Paying Agent/Registrar", "Paying Agent" or "Registrar") in Dallas, Texas. Interest on the Bonds will accrue from June 1, 2020 and is payable each September 1 and March 1, commencing September 1, 2020 (three months of interest) until the earlier of maturity or redemption. Interest will be calculated on the basis of a 360-day year of twelve 30-day months. The Bonds will be issued only in fully registered form in \$5,000 denominations or integral multiples thereof. The Bonds are subject to redemption prior to maturity as shown below.

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

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND INITIAL REOFFERING YIELDS

Due (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP Number (b)	Due (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP Number (b)
2021	\$ 35,000	3.00%	2.00%	34684C CB9	2027	\$ 35,000 (c)	3.00%	2.60%	34684C CH6
2022	35,000	3.00	2.10	34684C CC7	2028	35,000 (c)	3.00	2.70	34684C CJ2
2023	35,000	3.00	2.20	34684C CD5	2029	35,000 (c)	3.00	2.80	34684C CK9
2024	35,000	3.00	2.30	34684C CE3	2030	35,000 (c)	3.00	2.90	34684C CL7
2025	35,000	3.00	2.40	34684C CF0	2031	35,000 (c)	3.00	3.00	34684C CM5
2026	35,000 (c)	3.00	2.50	34684C CG8	2032	35,000 (c)	3.00	3.10	34684C CN3
	\$140,000	Term Bonds due September 1, 2036			(c), 34684C CS2	(b), 3.500% Interest Rate, 3.50% Yield (a)			
	\$130,000	Term Bonds due September 1, 2040			(c), 34684C CW3	(b), 3.500% Interest Rate, 3.60% Yield (a)			
	\$120,000	Term Bonds due September 1, 2044			(c), 34684C DA0	(b), 3.625% Interest Rate, 3.70% Yield (a)			

(a) Initial reoffering yield represents the initial offering yield to the public which has been established by the Initial Purchaser (as herein defined) for offers to the public and which may be subsequently changed by the Initial Purchaser and is the sole responsibility of the Initial Purchaser. The initial reoffering yields indicated above represent the lower of the yields resulting when priced at maturity or to the first call date. Accrued interest from June 1, 2020, is to be added to the price.

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

(c) Bonds maturing on and after September 1, 2026, are subject to redemption prior to maturity at the option of the District, in whole or from time to time in part, on September 1, 2025, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest to the date fixed for redemption. The Term Bonds (as defined herein) are also subject to mandatory sinking fund redemption as more fully described herein. See "THE BONDS—Redemption Provisions."

The Bonds, when issued, will constitute valid and legally binding obligations of Fort Bend County Municipal Utility District No. 192 (the "District") and will be payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property located within the District. The Bonds are obligations solely of the District and are not obligations of the State of Texas, Fort Bend County, the City of Sugar Land or any entity other than the District. The Bonds are subject to special investment risks described herein. See "RISK FACTORS."

The Bonds are offered by the Initial Purchaser subject to prior sale, when, as and if issued by the District and accepted by the Initial Purchaser, subject, among other things, to the approval of the Bonds by the Attorney General of Texas and the approval of certain legal matters by Allen Boone Humphries Robinson LLP, Bond Counsel. Delivery of the Bonds is expected on or about June 10, 2020.

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USE OF INFORMATION IN OFFICIAL STATEMENT

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

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

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

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

OFFICIAL STATEMENT SUMMARY

The following information is qualified in its entirety by the detailed information appearing elsewhere in this Official Statement.

THE FINANCING

<i>The Issuer</i>	Fort Bend County Municipal Utility District No. 192 (the “District”), a political subdivision of the State of Texas, is located in Fort Bend County, Texas. See “THE DISTRICT.”
<i>The Issue</i>	<p>\$810,000 Unlimited Tax Road Bonds, Series 2020 (the “Bonds”) are issued pursuant to a resolution (the “Bond Resolution”) of the District’s Board of Directors and are authorized pursuant to the election held within the District. See “THE BONDS—Authority for Issuance.” The Bonds will be issued as fully registered bonds maturing on September 1 in each of the years 2021 through 2032, both inclusive, and as term bonds maturing on September 1 in each of the years 2036, 2040, and 2044 (the “Term Bonds”) in the principal amounts and paying interest at the rates shown on the cover hereof. Interest on the Bonds accrues from June 1, 2020 and is payable on September 1, 2020 (three months of interest), and on each March 1 and September 1 thereafter until the earlier of maturity or prior redemption. See “THE BONDS.”</p> <p>The Bonds maturing on and after September 1, 2026, are subject to redemption, in whole or from time to time in part, at the option of the District, prior to their maturity dates, on September 1, 2025, or on any date thereafter. Upon redemption, the Bonds will be payable at a price of par plus accrued interest to the date of redemption. Term Bonds (as defined herein) are also subject to mandatory sinking fund redemption as more fully described herein. See “THE BONDS.”</p>
<i>Source of Payment</i>	The Bonds are payable from an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property within the District. See “TAX PROCEDURES.” The Bonds are obligations of the District and are not obligations of the State of Texas, Fort Bend County, the City of Sugar Land or any other political subdivision or agency other than the District. See “THE BONDS—Source of and Security for Payment.”
<i>Authority for Issuance</i>	The Bonds are the second series of bonds issued out of an aggregate of \$20,150,000 principal amount of unlimited tax road bonds authorized by the District’s voters for the purpose of constructing roads and related improvements. The Bonds are issued by the District pursuant to the terms and provisions of Article III, Section 52 of the Texas Constitution, Chapter 8330, Texas Special District Local Laws Code, Chapters 49 and 54 of the Texas Water Code, as amended, the general laws of the State of Texas, and the Bond Resolution. See “RISK FACTORS—Future Debt,” “THE BONDS—Authority for Issuance” and “—Issuance of Additional Debt.”
<i>Payment Record</i>	The District has previously issued one series of unlimited tax bonds for construction of roads and improvements in the principal amount of \$1,500,000 and one series of unlimited tax bonds for the purpose of acquiring or constructing water, sanitary sewer and drainage facilities in the principal amount of \$2,150,000, \$3,580,000 of which remains outstanding as of April 1, 2020 (the “Outstanding Bonds”). The District has never defaulted in the payment of principal and interest on the Outstanding Bonds.
<i>Use of Proceeds</i>	Proceeds from the Bonds will be used to pay for the items shown herein under “USE AND DISTRIBUTION OF BOND PROCEEDS,” including twelve months of capitalized interest, Developer interest and certain costs associated with the issuance of the Bonds and certain engineering costs. See “USE AND DISTRIBUTION OF BOND PROCEEDS.”
<i>Qualified Tax-Exempt Obligations</i>	The Bonds have been designated as “qualified tax-exempt obligations” for financial institutions. See “TAX MATTERS—Qualified Tax-Exempt Obligations.”
<i>Municipal Bond Rating</i>	The District did not apply for an underlying investment grade rating nor is it expected that the District would have been successful if such application had been made.
<i>Bond Counsel</i>	Allen Boone Humphries Robinson LLP, Bond Counsel, Houston, Texas. See “MANAGEMENT,” “LEGAL MATTERS,” and “TAX MATTERS.”

<i>Financial Advisor</i>	Masterson Advisors LLC, Houston, Texas. See “MANAGEMENT.”
<i>District Engineer</i>	Jones & Carter, Inc., Houston, Texas.
<i>Disclosure Counsel</i>	McCall, Parkhurst & Horton, L.L.P., Houston, Texas.

INFECTIOUS DISEASE OUTLOOK (COVID-19)

General The World Health Organization has declared a pandemic following the outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus (the “Pandemic”), which is currently affecting many parts of the world, including the United States and Texas. As described herein under “INVESTMENT CONSIDERATIONS—Infectious Disease Outlook (COVID-19)”, federal, state and local governments have all taken actions to respond to the Pandemic, including disaster declarations by both the President of the United States and the Governor of Texas. Such actions are focused on limiting instances where the public can congregate or interact with each other, which affects economic growth within Texas.

Impact Since the disaster declarations were made, the Pandemic has negatively affected travel, commerce, and financial markets locally and globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide and within Texas.

Such adverse economic conditions, if they continue, could result in declines in the demand for residential and commercial property in the Houston area and could reduce or negatively affect property values or homebuilding activity within the District. The Bonds are secured by an unlimited ad valorem tax, and a reduction in property values may require an increase in the ad valorem tax rate required to pay the Bonds as well as the District’s share of operations and maintenance expenses payable from ad valorem taxes.

The District continues to monitor the spread of COVID-19 and is working with local, state, and national agencies to address the potential impact of COVID-19 upon the District. While the potential impact of COVID-19 on the District cannot be quantified at this time, the continued outbreak of COVID-19 could have an adverse effect on the District’s operations and financial condition. The financial and operating data contained herein are the latest available but are as of dates and for periods prior to the economic impact of the Pandemic and measures instituted to slow it. Accordingly, they are not indicative of the economic impact of the Pandemic on the District’s financial condition.

HURRICANE HARVEY

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

Impact on the District According to Jones & Carter, Inc., Houston, Texas. (the “Engineer”), the District’s System (as defined herein) did not sustain any material damage and there was no interruption of water and sewer service as a result of Hurricane Harvey. According to Pointe Greatwood, LLC (the “Developer”), to the best of their knowledge, no homes within the District experienced structural flooding or other material damage as a result of Hurricane Harvey.

If a hurricane (or any other natural disaster) significantly damaged all or part of the improvements within the District, the assessed value of property within the District could be substantially reduced, with a corresponding decrease in tax revenues or necessity to increase the District’s tax rate. Further, there can be no assurance that a casualty loss to taxable property within the District will be covered by insurance (or that property owners will even carry flood insurance), that any insurance company will fulfill its obligation to provide insurance proceeds, or that insurance proceeds will be used to rebuild or repair any damaged improvements within the District. Even if insurance proceeds are available and improvements are rebuilt, there could be a lengthy period in which assessed values within the District would be adversely affected. See “RISK FACTORS—Hurricane Harvey.”

THE DISTRICT

<i>Description</i>	The District was created under Article XVI, Section 59 of the Texas Constitution by Senate Bill 994, as passed by the 81st Texas Legislature on June 19, 2009, and operates in accordance with Chapter 8330 of the Texas Special District Local Laws Code, and Chapters 49 and 54 of the Texas Water Code, as amended. The District is located approximately 30 miles southwest of the Central Business District of Houston in Fort Bend County, Texas. The District is located east of Macek Road, north of FM 279 Road, and south of Greatwood Bend Subdivision. Residents gain access to the area within the District from Macek Road and FM 2759 Road. The District consists of approximately 100 acres of land. The entire District lies within the extraterritorial jurisdiction of the City of Sugar Land, Texas and the Lamar Consolidated Independent School District.
<i>Status of Development</i>	<p>The District is being developed as Greatwood Lake, a single family residential community. Development in the District currently includes 192 single-family residential lots on approximately 77 acres. As of February 29, 2020, the District consisted of 101 completed homes (100 occupied), 31 homes under construction, and 60 vacant developed lots. Homes in the District range in price from approximately \$315,000 to \$475,000.</p> <p>In addition to the development described above, the District has a pocket park and walking trails around the pocket park and detention pond. An amenity center consisting of a recreational pool, playground equipment, covered area, and bathroom has been constructed on approximately two acres of land in the District. In addition, the District includes approximately 19 developable acres that have not been provided with water distribution, sanitary sewer and storm drainage facilities. The remainder of the District is comprised of approximately 2 acres of drainage easements, lift station site, detention area and permanent floodplain. See “THE DISTRICT.”</p>
<i>Homebuilders</i>	Homebuilders currently building in the District are K. Hovnanian and Princeton Classic Homes (collectively, the “Builders”). See “THE DISTRICT—Status of Development.”
<i>The Developer</i>	The developer of the residential land within the District is Pointe Greatwood, LLC, a Texas limited liability company (the “Developer”) created for the sole purpose of developing the land in the District. The managing member of the Developer is Pointe Land & Development, LLC, a Texas limited liability company. With the consent of the District and pursuant to a development financing agreement, the Developer has financed and, subject to certain conditions, is entitled to be reimbursed for the design and construction of certain water, sanitary sewer, drainage, road and recreational facilities. See “THE DEVELOPER.”

RISK FACTORS

THE PURCHASE AND OWNERSHIP OF THE BONDS ARE SUBJECT TO SPECIAL RISK FACTORS AND ALL PROSPECTIVE PURCHASERS ARE URGED TO EXAMINE CAREFULLY THIS ENTIRE OFFICIAL STATEMENT WITH RESPECT TO THE INVESTMENT SECURITY OF THE BONDS, INCLUDING PARTICULARLY THE SECTION CAPTIONED “RISK FACTORS.”

SELECTED FINANCIAL INFORMATION

2019 Certified Taxable Assessed Valuation	\$33,341,214 (a)
Preliminary Taxable Assessed Valuation as of January 1, 2020	\$44,604,442 (b)
Gross Debt Outstanding (after the issuance of the Bonds)	\$4,390,000
Estimated Overlapping Debt	<u>1,676,029</u> (c)
Gross Debt and Estimated Overlapping Debt	\$6,066,029 (c)
Ratios of Gross Debt to:	
2019 Certified Taxable Assessed Valuation	13.17%
Preliminary Taxable Assessed Valuation as of January 1, 2020	9.84%
Ratios of Gross Debt and Estimated Overlapping Debt to:	
2019 Certified Taxable Assessed Valuation	18.19%
Preliminary Taxable Assessed Valuation as of January 1, 2020	13.60%
2019 Tax Rate:	
Debt Service.....	\$0.72
Maintenance and Operations.....	<u>0.78</u>
Total	\$1.50/\$100 A.V.
Average percentage of total tax collections (2015-2019)	99.68%
Maximum Annual Debt Service Requirements (2021)	
of the Outstanding Bonds and the Bonds	
("Maximum Annual Requirement")	\$295,038(d)
Average Annual Debt Service Requirements (2021-2044)	
of the Outstanding Bonds and the Bonds	
("Average Annual Requirement")	\$272,630 (d)
Tax rate required to pay Maximum Annual Requirement based upon:	
2019 Certified Taxable Assessed Valuation at a 95% collection rate	\$0.94/\$100 A.V. (e)
Preliminary Taxable Assessed Valuation as of January 1, 2020 at a 95% collection rate	\$0.70/\$100 A.V. (e)
Tax rate required to pay Average Annual Requirement based upon:	
2019 Certified Taxable Assessed Valuation at a 95% collection rate	\$0.87/\$100 A.V. (e)
Preliminary Taxable Assessed Valuation as of January 1, 2020 at a 95% collection rate	\$0.65/\$100 A.V. (e)
Connection Count as of February 29, 2020 (f):	
Single-family residential – completed and occupied	100
Single-family residential – completed and unoccupied - contracted for sale....	1
Single-family residential – under construction.....	31
Total	132
Area of District — 100 acres	
Estimated 2020 population — 350 (g)	

- (a) As certified by the Fort Bend Central Appraisal District (the "Appraisal District"). See "TAX PROCEDURES."
- (b) Provided by the Appraisal District as a preliminary indication of the 2020 taxable value (as of January 1, 2020). Such amount is subject to protest, review and downward adjustment prior to certification. No tax will be levied on such amount until it is certified. See "TAX PROCEDURES."
- (c) See "ESTIMATED OVERLAPPING DEBT STATEMENT."
- (d) See "DEBT SERVICE REQUIREMENTS."
- (e) See "TAX DATA—Tax Adequacy for Debt Service."
- (f) See "THE DISTRICT—Status of Development."
- (g) Estimate based on 3.5 persons per occupied home.

OFFICIAL STATEMENT

\$810,000

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

UNLIMITED TAX ROAD BONDS SERIES 2020

This Official Statement provides certain information in connection with the issuance by Fort Bend County Municipal Utility District No. 192 (the “District”) of its \$810,000 Unlimited Tax Road Bonds, Series 2020 (the “Bonds”).

The Bonds are issued pursuant to Article III, Section 52 of the Texas Constitution, the general laws of the State of Texas relating to the issuance of bonds by political subdivisions, Chapter 8330 of the Texas Special District Local Laws Code, Chapters 49 and 54 of the Texas Water Code, a resolution authorizing the issuance of the Bonds (the “Bond Resolution”) adopted by the Board of Directors of the District (the “Board”), and an election held within the District.

This Official Statement includes descriptions, among others, of the Bonds and the Bond Resolution, and certain other information about the District and Pointe Greatwood, LLC (the “Developer”), the developer of most of the land within the District. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each document. Copies of documents may be obtained from the District upon payment of the costs of duplication therefor.

RISK FACTORS

General

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

Infectious Disease Outlook (COVID-19)

The World Health Organization has declared a pandemic following the outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus (the “Pandemic”), which is currently affecting many parts of the world, including the United States and Texas. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States in connection with COVID-19. On March 13, 2020, the President of the United States (the “President”) declared the Pandemic a national emergency and the Texas Governor (the “Governor”) declared COVID-19 an imminent threat of disaster for all counties in Texas (collectively, the “disaster declarations”). On March 25, 2020, in response to a request from the Governor, the President issued a Major Disaster Declaration for the State of Texas.

Pursuant to Chapter 418 of the Texas Government Code, the Governor has broad authority to respond to disasters, including suspending any regulatory statute prescribing the procedures for conducting state business or any order or rule of a state agency that would in any way prevent, hinder, or delay necessary action in coping with this disaster and issuing executive orders that have the force and effect of law. The Governor has issued a number of executive orders relating to COVID-19 preparedness and mitigation. These include, for example, the issuance of an Executive Order on March 31, 2020, which, among other things, prohibits social gatherings of more than 10 people through April 30 and orders the closure of schools throughout the state through May 4, 2020, unless otherwise extended, modified, rescinded, or superseded by the Governor. In addition, Fort Bend County, within which the District is located, has issued a “shelter in place” order for most citizens except when engaged in specified essential businesses and government functions. Many of the federal, state and local actions and policies under the aforementioned disaster declarations are focused on limiting instances where the public can congregate or interact with each other, which affects economic growth within Texas.

Since the disaster declarations were made, the Pandemic has negatively affected travel, commerce, and financial markets locally and globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide and within Texas. Stock values and crude oil prices, in the U.S. and globally, have seen significant declines attributed to COVID-19 concerns. Texas may be particularly at risk from any global slowdown, given the prevalence of international trade in the state and the risk of contraction in the oil and gas industry and spillover effects into other industries.

Such adverse economic conditions, if they continue, could result in declines in the demand for residential and commercial property in the Houston area and could reduce or negatively affect property values or homebuilding activity within the District. The Bonds are secured by an unlimited ad valorem tax, and a reduction in property values may require an increase in the ad valorem tax rate required to pay the Bonds as well as the District's share of operations and maintenance expenses payable from ad valorem taxes.

The District continues to monitor the spread of COVID-19 and is working with local, state, and national agencies to address the potential impact of COVID-19 upon the District. While the potential impact of COVID-19 on the District cannot be quantified at this time, the continued outbreak of COVID-19 could have an adverse effect on the District's operations and financial condition. The financial and operating data contained herein are the latest available but are as of dates and for periods prior to the economic impact of the Pandemic and measures instituted to slow it. Accordingly, they are not indicative of the economic impact of the Pandemic on the District's financial condition.

Potential Effects of Oil Price Declines on the Houston Area

The recent declines in oil prices in the U.S. and globally, which at times have led to the lowest such prices in three decades, may lead to adverse conditions in the oil and gas industry, including but not limited to reduced revenues, declines in capital and operating expenditures, business failures, and layoffs of workers. The economy of the Houston area has, in the past, been particularly affected by adverse conditions in the oil and gas industry, and such conditions and their spillover effects into other industries could result in declines in the demand for residential and commercial property in the Houston area and could reduce or negatively affect property values or homebuilding activity within the District. As previously stated, the Bonds are secured by an unlimited ad valorem tax, and a reduction in property values may require an increase in the ad valorem tax rate required to pay the Bonds as well as the District's share of operations and maintenance expenses payable from ad valorem taxes.

Hurricane Harvey

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

According to the Engineer and Operator, the District's System did not sustain any material damage and there was no interruption of water and sewer service as a result of Hurricane Harvey. According to Pointe Greatwood, LLC (the "Developer"), to the best of their knowledge, no homes within the District experienced structural flooding or other material damage as a result of Hurricane Harvey.

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

Specific Flood Type Risks

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

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

Economic Factors and Interest Rates

A substantial percentage of the taxable value of the District results from the current market value of from single-family residences and developed lots which are owned by the Developer or homebuilders. The market value of such properties is related to general economic conditions affecting the demand for properties. Demand for commercial projects and lots of this type and the construction of residential dwellings thereon can be significantly affected by factors such as interest rates, credit availability, construction costs, energy availability and the prosperity and demographic characteristics of the urban center toward which the marketing of such properties is directed. Decreased levels of construction activity would tend to restrict the growth of property values in the District or could adversely impact such values.

Credit Markets and Liquidity in the Financial Markets

Interest rates and the availability of mortgage and development funding have a direct impact on the construction activity, particularly short-term interest rates, at which developers are able to obtain financing for development costs. Interest rate levels may affect the ability of a landowner with undeveloped property to undertake and complete construction activities within the District. Because of the numerous and changing factors affecting the availability of funds, particularly liquidity in the national credit markets, the District is unable to assess the future availability of such funds for continued construction within the District. In addition, since the District is located approximately 30 miles from the central downtown business district of Houston, the success of development within the District and growth of District taxable property values are, to a great extent, a function of the Houston metropolitan and regional economies and national credit and financial markets. A downturn in the economic conditions of Houston and a decline in the nation's real estate and financial markets could adversely affect development and home-building plans in the District and restrain the growth of or reduce the District's property tax base.

Competition

The demand for and construction of single-family homes in the District, which is approximately 30 miles from downtown Houston, could be affected by competition from other residential developments, including other residential developments located in the southwestern portion of the Houston area market. In addition to competition for new home sales from other developments, there are numerous previously-owned homes in the area of the District. Such homes could represent additional competition for new homes proposed to be sold within the District.

The competitive position of the Builders in the sale of single-family residential houses within the District is affected by most of the factors discussed in this section. Such a competitive position directly affects the growth and maintenance of taxable values in the District and tax revenues to be received by the District. The District can give no assurance that building and marketing programs in the District by the Developer or the Builders will be implemented or, if implemented, will be successful.

Landowner Obligation to the District

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

Dependence on Major Taxpayers and the Developer

The ten principal taxpayers represent \$6,246,490 (18.74%) of the 2019 Certified Taxable Assessed Valuation of \$33,341,214. Camillo LT 2018-SFR LLC represents \$2,129,810 (6.39%). This represents ownership as of January 1, 2019. A principal taxpayer list related to the Estimated Assessed Valuation as of January 15, 2020 (\$44,604,442) is currently not available. If a principal taxpayer were to default in the payment of taxes in an amount which exceeds the District's debt service fund surplus available for payment of the Bonds, the ability of the District to make timely payment of debt service on the Bonds would be dependent on its ability to enforce and liquidate its tax lien, which is a time-consuming process, or to sell tax anticipation notes. Failure to recover or borrow funds in a timely fashion could force the District to levy a high tax rate to pay principal and interest on its debt, thereby hindering growth and leading to further defaults in the payment of taxes. The District is not required by law or the Bond Resolution to maintain any specified amount of surplus in its debt service fund. See "Tax Collection Limitations" in this section, "TAX DATA— Principal Taxpayers," "TAX PROCEDURES—Levy and Collection of Taxes."

Impact on District Tax Rate

Assuming no further development, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of District property owners to pay their taxes. The 2019 Certified Taxable Assessed Valuation of the District (see "FINANCIAL STATEMENT") is \$33,341,214. After issuance of the Bonds, the maximum annual debt service requirement will be \$295,038 (2021) and the average annual debt service requirement will be \$272,630 (2021-2044). Assuming no increase or decrease from the 2019 Certified Taxable Assessed Valuation and no use of funds other than tax collections, a tax rate of \$0.94 per \$100 assessed valuation at a 95% collection rate would be necessary to pay the maximum annual debt service requirement of \$295,038 and a tax rate of \$0.87 per \$100 assessed valuation at a 95% collection rate would be necessary to pay the average annual debt service requirement of \$272,630. See "DEBT SERVICE REQUIREMENTS." The Preliminary Taxable Assessed Valuation as of January 1, 2020 within the District is \$44,604,442. Assuming no increase or decrease from the Preliminary Taxable Assessed Valuation as of January 1, 2020 and no use of funds other than tax collections, tax rates of \$0.70 and \$0.65 per \$100 assessed valuation would be necessary to pay the maximum annual requirement and average annual requirement, respectively. Although calculations have been made regarding average and maximum tax rates necessary to pay the debt service on the Bonds based upon the 2019 Certified Taxable Assessed Valuation and the Preliminary Taxable Assessed Valuation as of January 1, 2020, the District can make no representations regarding the future level of assessed valuation within the District. Increases in the tax rate may be required in the event the District's assessed valuation does not continue to increase or in the event major taxpayers do not pay their District taxes timely. Increases in taxable values depend primarily on the continuing construction and sale of homes and other taxable improvements within the District. See "TAX PROCEDURES" and "TAX DATA—Tax Adequacy for Debt Service."

Future Debt

The District reserves in the Bond Resolution the right to issue the remaining \$26,450,000 principal amount of authorized and unissued unlimited tax bonds for the purpose of acquiring or constructing water, sanitary sewer and drainage facilities and refunding of such bonds. The District may also issue the \$17,840,000 principal amount of authorized and unissued unlimited tax bonds for the purpose of constructing roads and related improvements and refunding of such bonds remaining after the issuance of the Bonds, and the remaining \$5,900,000 principal amount of authorized and unissued unlimited tax bonds for the purpose of acquiring or constructing recreational facilities and refunding of such bonds. The District may issue additional bonds approved by District voters in future elections. The District anticipates selling additional bonds in the future. See "THE BONDS—Issuance of Additional Debt," "ROAD SYSTEM," and "THE WATER SUPPLY AND WASTEWATER TREATMENT SYSTEM." The issuance of such obligations may adversely affect the investment security of the Bonds. The District does not employ any formula with regard to assessed valuations or tax collections or otherwise to limit the amount of bonds which may be issued. Any bonds issued by the District, however, must be approved by the Attorney General of Texas and the Board of Directors of the District and any bonds issued to acquire or construct water, sanitary sewer and drainage facilities and recreational facilities, but not road facilities, must be approved by the Commission.

Tax Collection Limitations

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

Federal Bankruptcy Code could stay any attempt by the District to collect delinquent ad valorem taxes against such taxpayer. In addition to the automatic stay against collection of delinquent taxes afforded a taxpayer during the pendency of a bankruptcy, a bankruptcy could affect payment of taxes in two other ways: first, a debtor's confirmation plan may allow a debtor to make installment payments on delinquent taxes for up to six years; and, second, a debtor may challenge, and a bankruptcy court may reduce, the amount of any taxes assessed against the debtor, including taxes that have already been paid. See "TAX PROCEDURES—District's Rights in the Event of Tax Delinquencies."

Registered Owners' Remedies and Bankruptcy Limitations

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

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

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

A district may not be forced into bankruptcy involuntarily.

Environmental Regulations

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

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

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

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

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

In February 2018, the U.S. Court of Appeals for the District of Columbia Circuit issued an opinion in *South Coast Air Quality Management District v. EPA*, 882 F.3d 1138 (D.C. Cir. 2018) vacating the EPA redesignation substitute rule that provided the basis for the EPA’s decision to eliminate the anti-backsliding requirements that had applied in the HGB Area under the 1997 Ozone Standard. The court has not responded to the EPA’s April 2018 request for rehearing of the case. To address the uncertainty created by the South Coast court’s ruling, the TCEQ has developed a formal request that the HGB Area be redesignated to attainment under the 1997 Ozone Standards. The TCEQ Commissioners approved publication of a proposed HGB Area redesignation request under the 1997 Ozone Standards on September 5, 2018.

The HGB Area is currently designated as a “moderate” nonattainment area under the 2008 Ozone Standard, with an attainment deadline of July 20, 2018. 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 “marginal” nonattainment area under the 2015 Ozone Standard, with an attainment deadline of August 3, 2021. For purposes of the 2015 Ozone Standard, the HGB Area consists of only six counties: Brazoria, Chambers, Fort Bend, Galveston, Harris, and Montgomery Counties.

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

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

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

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

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

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

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

In 2015, the EPA and USACE promulgated a rule known as the Clean Water Rule (“CWR”) aimed at redefining “waters of the United States” over which the EPA and USACE have jurisdiction under the CWA. The CWR significantly expanded the scope of the federal government’s CWA jurisdiction over intrastate water bodies and wetlands. The CWR was challenged in numerous jurisdictions, including the Southern District of Texas, causing significant uncertainty regarding the ultimate scope of “waters of the United States” and the extent of EPA and USACE jurisdiction.

On September 12, 2019, the EPA and USACE finalized a rule repealing the CWR, thus reinstating the regulatory text that existed prior to the adoption of the CWR. This repeal officially became final on December 23, 2019, but the repeal has itself become the subject of litigation in multiple jurisdictions.

On January 23, 2020, the EPA and USACE released the Navigable Waters Protection Rule (“NWPR”), which contains a new definition of “waters of the United States.” The stated purpose of the NWPR is to restore and maintain the integrity of the nation’s waters by maintaining federal authority over the waters Congress has determined should be regulated by the federal government, while preserving the states’ primary authority over land and water resources. The new definition outlines four categories of waters that are considered “waters of the United States,” and thus federally regulated under the CWA: (i) territorial seas and traditional navigable waters; (ii) perennial and intermittent tributaries to territorial seas and traditional navigable waters; (iii) certain lakes, ponds, and impoundments of jurisdictional waters; and (iv) wetlands adjacent to jurisdictional waters. The new rule also identifies certain specific categories that are not “waters of the United States,” and therefore not federally regulated under the CWA: (a) groundwater; (b) ephemeral features that flow only in direct response to precipitation; (c) diffuse stormwater runoff and directional sheet flow over upland; (d) certain ditches; (e) prior converted cropland; (f) certain artificially irrigated areas; (g) certain artificial lakes and ponds; (h) certain water-filled depressions and certain pits; (i) certain stormwater control features; (j) certain groundwater recharge, water reuse, and wastewater recycling structures; and (k) waste treatment systems. The NWPR will become effective 60 days after the date of its publication in the Federal Register and will likely become the subject of further litigation.

Due to ongoing rulemaking activity, as well as existing and possible future litigation, there remains uncertainty regarding the ultimate scope of “waters of the United States” and the extent of EPA and USACE jurisdiction. Depending on the final outcome of such proceedings, operations of municipal utility districts, including the District, could potentially be subject to additional restrictions and requirements, including additional permitting requirements.

Continuing Compliance with Certain Covenants

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

Marketability

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

Changes in Tax Legislation

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

THE BONDS

General

Following is a description of some of the terms and conditions of the Bonds, which description is qualified in its entirety by reference to the Bond Resolution of the Board authorizing the issuance and sale of the Bonds. The Bond Resolution authorizes the issuance and sale of the Bonds and prescribes the terms, conditions, and provisions for the payment of the principal of and interest on the Bonds by the District.

The Bonds will be dated and accrue interest from June 1, 2020, and are payable on each September 1 and March 1 commencing September 1, 2020 (three months of interest), until the earlier of maturity or prior redemption. The Bonds mature on September 1 in the principal amounts and in each of the years and accrue interest at the rates shown on the cover page of this OFFICIAL STATEMENT. Interest calculations are based on a 360-day year comprised of twelve 30-day months. The Bonds will be issued only in fully registered form in \$5,000 denominations or integral multiples thereof.

Authority for Issuance

On November 5, 2013, the voters of the District authorized the issuance of a total of \$20,150,000 principal amount of unlimited tax bonds for the purpose of constructing roads and related improvements and refunding of road bonds. The Bonds are the second issuance from such authorization. See “Issuance of Additional Debt” herein. Before the Bonds can be issued, the Attorney General of Texas must pass upon the legality of certain related matters. The Attorney General of Texas does not guarantee or pass upon the safety of the Bonds as an investment or upon the adequacy of the information contained in this OFFICIAL STATEMENT.

The Bonds are issued by the District pursuant to the terms and provisions of Article III, Section 52 of the Texas Constitution, Chapter 8330 of the Texas Special District Local Laws Code, Chapters 49 and 54 of the Texas Water Code, as amended, the general laws of the State of Texas, and the Bond Resolution.

Source of and Security for Payment

While the Bonds or any part of the principal thereof or interest thereon remain outstanding and unpaid, the District covenants in the Bond Resolution to levy a continuing, direct, annual ad valorem tax, without legal limit as to rate or amount, upon all taxable property in the District sufficient to pay the principal of and interest on the Bonds, with full allowance being made for delinquencies and costs of collection.

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

Method of Payment of Principal and Interest

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

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

Funds

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

Twelve (12) months of capitalized interest and accrued interest on the Bonds shall be deposited into the Road Debt Service Fund upon receipt. The remaining proceeds from sale of the Bonds, including interest earnings thereon, shall be deposited into the Road Capital Projects Fund, to pay the costs of acquiring or paying for District roads and related improvements, and for paying the costs of issuing the Bonds. See "USE AND DISTRIBUTION OF BOND PROCEEDS" for a more complete description of the use of Bond proceeds.

The District also maintains a Debt Service Fund for its Outstanding Bonds issued to finance water sanitary sewer and drainage facilities (the "WSD Debt Service Fund") that is not pledged to the Outstanding Road Bonds or the Bonds. Funds in the WSD Debt Service Fund are not available to pay principal and interest on the outstanding Road Bonds or the Bonds.

No Arbitrage

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

Record Date

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

Redemption Provisions

Mandatory Redemption: The Bonds maturing on September 1 in each of the years 2036, 2040 and 2044 (the “Term Bonds”) shall be redeemed, at a price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption (the “Mandatory Redemption Date”), on September 1 in each of the years and in the principal amounts set forth in the following schedule (with each such scheduled principal amount reduced by the principal amount as may have been previously redeemed through the exercise of the District’s reserved right of optional redemption, as provided under “Optional Redemption” below):

\$140,000 Term Bonds		\$130,000 Term Bonds		\$120,000 Term Bonds	
Due September 1, 2036		Due September 1, 2040		Due September 1, 2044	
Mandatory	Principal	Mandatory	Principal	Mandatory	Principal
Redemption Date	Amount	Redemption Date	Amount	Redemption Date	Amount
2033	\$ 35,000	2037	\$ 35,000	2041	\$ 30,000
2034	35,000	2038	35,000	2042	30,000
2035	35,000	2039	30,000	2043	30,000
2036 (maturity)	35,000	2040 (maturity)	30,000	2044 (maturity)	30,000

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 Bond 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 Bond or portions of the Term Bond of such maturity to be mandatorily redeemed on such Mandatory Redemption Date, and (iii) give notice of such redemption as provided in the Bond Resolution. The principal amount of any Term Bond to be mandatorily redeemed on such Mandatory Redemption Date shall be reduced by the principal amount of such Term Bond, which, by the 45th day prior to such Mandatory Redemption Date, either has been purchased in the open market and delivered or tendered for cancellation by or on behalf of the District to the Paying Agent/Registrar or optionally redeemed and which, in either case, has not previously been made the basis for a reduction under this sentence.

Optional Redemption: The District reserves the right, at its option, to redeem the Bonds maturing on and after September 1, 2026, prior to their scheduled maturities, in whole or from time to time in part, in integral multiples of \$5,000 on September 1, 2025, or any date thereafter, at a price of par value plus unpaid accrued interest on the principal amounts called for redemption from the most recent Interest Payment Date to the date fixed for redemption. If less than all of the Bonds are redeemed at any time, the maturities of the Bonds to be redeemed will be selected by the District. If less than all the Bonds of a certain maturity are to be redeemed, the particular Bonds to be redeemed shall be selected by the Paying Agent/Registrar by lot or other random method (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form).

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

Registration and Transfer

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

Replacement of Paying Agent/Registrar

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

Lost, Stolen or Destroyed Bonds

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

Issuance of Additional Debt

After issuance of the Bonds, the District will have \$17,840,000 principal amount of unlimited tax bonds for the purpose of constructing roads and related improvements and refunding such bonds. The voters of the District have also authorized the issuance of \$28,600,000 principal amount of unlimited tax bonds authorized but unissued for the purpose of acquiring or constructing water, sanitary sewer and drainage facilities and refunding such bonds, of which \$26,450,000 principal amount is authorized but unissued and \$5,900,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing recreational facilities and refunding such bonds, all of which are authorized but unissued. The Bond Resolution imposes no limitation on the amount of additional parity bonds which may be authorized for issuance by the District's voters or the amount ultimately issued by the District.

The District also is authorized by statute to engage in fire-fighting activities, including the issuing of bonds payable from taxes for such purpose. Before the District could issue such bonds, the following actions would be required: (a) approval of a detailed fire plan by the Commission; (b) authorization of the detailed fire plan and bonds for such purpose by the qualified voters in the District; (c) approval of the bonds by the Commission; and (d) approval of bonds by the Attorney General of Texas. The Board has not considered preparing a fire plan or calling an election at this time for such purposes. The District currently has a Fire Protection Agreement with the City.

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

Strategic Partnership Agreement

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

Annexation

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

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

Dissolution of the District

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

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

Consolidation

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

Remedies in Event of Default

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

Legal Investment and Eligibility to Secure Public Funds in Texas

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

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

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

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

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

Defeasance

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

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

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

BOOK-ENTRY-ONLY SYSTEM

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

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds, of each series will be issued as fully-registered Bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. With respect to each series of the Bonds, one fully-registered Bond certificate will be issued of each such series for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository

Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a rating of “AA+” by S&P Global Ratings. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

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

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

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

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

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

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

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

THE DISTRICT

General

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

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

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

Location of District

The District contains approximately 100 acres of land and is located approximately 30 miles southwest of the Central Business District of Houston in Fort Bend County, Texas. The District is located east of Macek Road, north of FM 2759 Road, and south of Greatwood Bend Subdivision. Residents gain access to the area within the District from Macek Road and FM 2759 Road. The entire District lies within the extraterritorial jurisdiction of the City of Sugar Land, Texas and the Lamar Consolidated Independent School District. See “AERIAL PHOTOGRAPH” herein.

Land Use

The District is being developed as Greatwood Lake, a single-family residential community. Development of Greatwood Lake began in 2016. The District currently includes approximately 77 developed acres of single-family residential development (192 lots), approximately 19 developable acres that have not been provided with water distribution, wastewater collection and storm drainage facilities, approximately 2 acres which are developed as recreation centers/parks and open spaces, and approximately 2 acres which are undevelopable (drainage easements, lift station site, detention area and permanent floodplain). The table below represents a detailed breakdown of the current acreage and development in the District.

<u>Single-Family Residential</u>	Approximate <u>Acres</u>	<u>Lots</u>
Greatwood Lake:		
Section 1.....	49	116
Section 2A.....	28	76
Subtotal.....	77	192
<i>Recreation Centers/Parks and Open Spaces</i>	2	---
<i>Future Development</i>	19	---
<i>Non-Developable (a)</i>	2	---
	100	192

(a) Includes drainage easements, right-of-ways, District plant sites, detention areas and drill sites.

Status of Development

Single-Family Residential: Home construction in the District began in 2016, and as of February 29, 2020, the District consisted of 101 completed homes (100 occupied), 31 homes under construction, and 60 vacant developed lots.

Homebuilding and Lot Sales: Homebuilders actively conducting building programs within the District are: K. Hovnanian and Princeton Classic Homes. New homes in the District range in price from approximately \$315,000 to \$475,000.

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

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

MANAGEMENT

Board of Directors

The District is governed by the Board of Directors, consisting of five directors, which has control over and management supervision of all affairs of the District. None of the Directors, except one listed below resides within the District, and each Director owns a small parcel of land within the District subject to a Note and Deed of Trust in favor of the Developer. Directors are elected by the voters within the District for four-year staggered terms. Director elections are held only in even numbered years. The directors and officers of the District are listed below:

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Darrell Kainer	President	May 2022
Erin B. Ring	Vice President	May 2024
Lester Jones	Secretary	May 2024
Matt Klein	Asst. Vice President	May 2024
Barbara Brescian	Asst. Secretary	May 2022

While the District does not employ any full-time employees, it has contracted for certain services as follows:

Tax Assessor/Collector

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

Bookkeeper

The District has engaged F Matuska, Inc. to serve as the District’s bookkeeper.

System Operator

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

Engineer

The consulting engineer for the District in connection with the design and construction of the District’s facilities is Jones & Carter, Inc. (the “Engineer”).

Attorney

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

Financial Advisor

Masterson Advisors LLC (the “Financial Advisor”) serves as financial advisor to the District. The fees to be paid the Financial Advisor for services rendered in connection with the issuance of the Bonds are based on a percentage of the Bonds actually issued, sold and delivered and, therefore, such fees are contingent on the sale and delivery of the Bonds.

Disclosure Counsel

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

Auditor

As required by the Texas Water Code, the District retains an independent auditor to audit the District’s financial statements annually, which annual audit is filed with the TCEQ. The District’s financial statements for the fiscal year ending February 28, 2019 were audited by the independent account firm of McGrath & Co., PLLC. See “APPENDIX A” for a copy of the audited financial statement of the District as of February 28, 2019. The District has engaged McGrath & Co., PLLC to audit the District’s financial statements for the fiscal year ending February 29, 2020.

THE DEVELOPER

Role of a Developer

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

Pointe Greatwood, LLC

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

The Developer nor any of its affiliates, is obligated to pay principal of or interest on the Bonds. Furthermore, the Developer does not have a binding commitment to the District to carry out any plan of development and the Developer may sell or otherwise dispose of its property within the Service Area, or any other assets, at any time, and the furnishing of information relating to the proposed development by the Developer should not be interpreted as such a commitment. Prospective purchasers are encouraged to inspect the Service Area in order to acquaint themselves with the nature of development that has occurred or is occurring within the boundaries of the Service Area. See “RISK FACTORS.”

ROAD SYSTEM

Proceeds of the Bonds will be used to finance roads within the district and road rehabilitation within the District. Outstanding Bonds were used to finance the construction and paving of Macek Road, Magnolia Trail Lane, and Arbor Ranch Drive within the District.

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

These roads lie within the public right-of-way. In addition to the roadway, public utilities such as underground water, sewer and drainage facilities are located within the right-of-way. The right-of-way is also shared by street lights, sidewalks and franchise utilities (power, gas, telephone and cable).

WATER SUPPLY AND WASTEWATER TREATMENT SYSTEM

Regulation

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

Water Supply and Wastewater Treatment

The District currently obtains its water supply and wastewater treatment from the City of Sugar Land (the “City”) following the annexation and dissolution of the Greatwood Districts, including Fort Bend County Municipal Utility District No. 106 (“MUD No. 106”) in its capacity as master district (the “Master District”) to the participating districts in the system (the “Greatwood Districts”). The District was served by the Master District under the Contract for Financing, Operation and Maintenance of Regional Water, Wastewater, and Storm Sewer Facilities dated November 15, 2012, as amended, (the “Master District Contract”). The District has 300 connections allocated to it under the Master District Contract. Following the annexation and dissolution of the Master District, the City and the District entered into a Utility Agreement which was approved on February 2, 2019, under which the Master District Contract was terminated, and the District is being served as an out of city wholesale customer of the City.

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

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

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

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

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

On March 1, 2017, as required by its SPA with the City, the District entered into a Groundwater Reduction Plan Participation Agreement with the City. Beginning on such date, the District will pay the City, as the GRP Administrator, pumpage fees for water pumped from the well owned by the District, which the City will deposit into its surface water fund in accordance with the GRP. The current pumpage fee that is charged by the City as GRP Administrator is currently \$1.75 per 1,000 gallons of groundwater pumped by the permitted well, plus a 20% out of City service charge. The pumpage fee is expected to increase from time to time at the City's sole discretion.

The District cannot predict the amount or level of fees and charges, which may be due the Authority in the future, but anticipates the need to continue passing such fees through to its customers: (i) through higher water rates and/or (ii) with portions of maintenance tax proceeds, if any. No representation is made that the Authority or the City: (i) will build the necessary facilities to meet the requirements of the Subsidence District for conversion to surface water, (ii) will comply with the Subsidence District's surface water conversion requirements, or (iii) will comply with its

100-Year Flood Plain: "Flood Insurance Rate Map" or "FIRM" means an official map of a community on which the Federal Emergency Management Agency ("FEMA") has delineated the appropriate areas of flood hazards. The 1% chance of probable inundation, also known as the 100-year flood plain, is depicted on these maps. The "100-year flood plain" (or 1% chance of probable inundation) as shown on the FIRM is the estimated geographical area that would be flooded by a rain storm of such intensity to statistically have a one percent chance of occurring in any given year. Generally speaking, homes must be built above the 100-year flood plain in order to meet local regulatory requirements and to be eligible for federal flood insurance. An engineering or regulatory determination that an area is above the 100-year flood plain is no assurance that homes built in such area will not be flooded. The District's drainage system has been designed and constructed to all current standards.

According to the Engineer, approximately 16 acres of land within the District are located within the 100-year flood plain as designated by the most recent FEMA FIRM 48157C0270L dated April 2, 2014. Of such acreage, approximately 9 acres has been developed as single family residential using fill dirt to bring the land out of the 100-year flood plain and upon filing a LOMR-F. The remaining acreage will remain in the flood plain and will not be developed.

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

USE AND DISTRIBUTION OF BOND PROCEEDS

Of proceeds to be received from sale of the Bonds, \$566,589 is estimated for engineering and construction costs, and \$243,411 is estimated for non-construction costs, including twelve months of capitalized interest.

CONSTRUCTION COSTS	
Greatwood Lake, Section One Road Constructions Costs.....	\$ 414,520
Greatwood Lake, Section One Street Rehabilitation.....	76,338
Engineering.....	51,169
Materials Testing & SWPPP.....	24,562
Total Construction Costs	\$ 566,589
NON-CONSTRUCTION COSTS	
Legal Fees.....	\$ 40,000
Financial Advisory Fees.....	20,000
Developer Interest	69,661
Capitalized Interest (12 months) (a).....	26,400
Bond Discount (a).....	24,300
Bond Issuance Expense.....	48,140
Attorney General Fee.....	810
Contingency (b).....	14,100
Total Non-Construction Costs	\$ 243,411
TOTAL BOND ISSUE	\$ 810,000

- (a) In its order authorizing the issuance of the Bonds, the TCEQ approved a maximum Bond discount of 3.00%.and 12 months of capitalized interest estimated at 5.00%
- (b) Represents surplus funds resulting from the sale of the Bonds at a lower interest rate than estimated and can be used for purposes allowed and approved by the TCEQ.

Future Debt

The Developer has financed or is financing the engineering and construction costs of water, sanitary sewer and drainage facilities to serve Greatwood Lake as well as certain other District improvements. After reimbursement from the Bonds, the Developer will have expended approximately \$4,500,000 (as of March 31, 2020) for design, construction and acquisition of District water, sanitary sewer and drainage facilities not yet reimbursed. It is anticipated that proceeds from future issues of District bonds will be used, in whole or in part, to reimburse the Developer for these costs. Additionally, the District contains approximately 19 acres of developable land not presently served with water supply and distribution, wastewater collection and treatment and storm drainage facilities. It is anticipated that additional bonds will be issued to finance the construction of these facilities to serve this undeveloped acreage. The District can make no representation that any additional development will occur within the District. The Engineer has stated that the District's authorized but unissued bonds will be adequate, under present land use projections, to finance such improvements.

UNLIMITED TAX BONDS AUTHORIZED BUT UNISSUED

<u>Date of Authorization</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>Issued to Date</u>	<u>Amount Unissued</u>
11/05/2013	Water, Sanitary Sewer and Drainage ("WS&D") and Refunding of WS&D Bonds	\$28,600,000	\$2,150,000	\$26,450,000
11/05/2013	Recreational and Refunding of Recreational Bonds	\$5,900,000	\$-0-	\$5,900,000
11/05/2013	Roads and Refunding of Road Bonds	\$20,150,000	\$2,310,000*	\$17,840,000*

* Includes the Bonds.

FINANCIAL STATEMENT

2019 Certified Taxable Assessed Valuation	\$33,341,214 (a)
Preliminary Taxable Assessed Valuation as of January 1, 2020	\$44,604,442 (b)
 Gross Debt Outstanding (after the issuance of the Bonds)	 \$4,390,000
 Ratios of Gross Debt to:	
2019 Certified Taxable Assessed Valuation	13.17%
Preliminary Taxable Assessed Valuation as of January 1, 2020	9.84%

Area of District — 100 acres
Estimated 2020 Population — 350 (c)

- (a) As certified by the Fort Bend Central Appraisal District (the “Appraisal District”). See “TAX PROCEDURES.”
- (b) Provided by the Appraisal District as a preliminary indication of the 2020 taxable value (as of January 1, 2020). Such amount is subject to protest, review and downward adjustment prior to certification. No tax will be levied on such amount until it is certified. See “TAX PROCEDURES.”
- (c) Estimate based on 3.5 persons per occupied home.

Cash and Investment Balances (unaudited as of April 1, 2020)

General Fund	Cash and Temporary Investments	\$261,833
Road Capital Projects Fund	Cash and Temporary Investments	\$541
Road Debt Service Fund	Cash and Temporary Investments	\$143,182 (a)
Capital Projects Fund	Cash and Temporary Investments	\$70,351
WSD Debt Service Fund	Cash and Temporary Investments	\$190,193 (a)

- (a) In addition, twelve months of capitalized interest will be deposited into the Road Debt Service Fund from Bond proceeds. Neither the Bond Resolution nor Texas law requires that the District maintain any particular balance in the Debt Service Fund.

District Investment Policy

The District’s goal is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Funds of the District are invested either in short term U.S. Treasury obligations or certificates of deposit insured by the Federal Deposit Insurance Corporation or secured by collateral held by a third-party institution. The District does not own any long-term securities or derivative products in the District’s investment portfolio.

Outstanding Bonds (as of April 1, 2020)

Series	Original Principal Amount	Outstanding Bonds 4/1/2020
2017 Road	\$ 1,500,000	\$ 1,430,000
2018	2,150,000	2,150,000
Total	\$ 3,650,000	\$ 3,580,000

ESTIMATED OVERLAPPING DEBT STATEMENT

Expenditures of the various taxing entities within the territory of the District are paid out of ad valorem taxes levied by such entities on properties within the District. Such entities are independent of the District and may incur borrowings to finance their expenditures. This statement of direct and estimated overlapping ad valorem tax bonds ("Tax Debt") was developed from information contained in the "Texas Municipal Reports" published by the Municipal Advisory Council of Texas. Except for the amounts relating to the District, the District has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities listed may have issued additional bonds since the date hereof, and such entities may have programs requiring the issuance of substantial amounts of additional bonds, the amount of which cannot be determined. The following table reflects the estimated share of the overlapping Tax Debt of the District.

Taxing Jurisdiction	Outstanding Bonds	As of	Overlapping	
			Percent	Amount
Fort Bend County.....	\$ 594,872,527	2/29/2020	0.03%	\$ 178,462
Lamar Consolidated ISD.....	1,151,975,000	2/29/2020	0.13%	<u>1,497,568</u>
Total Estimated Overlapping Debt.....				\$ 1,676,029
The District.....	4,390,000 (a)	Current	100.00%	<u>4,390,000</u>
Total Direct and Estimated Overlapping Debt.....				\$ 6,066,029
Ratio of Estimated Direct and Overlapping Debt to 2019 Certified Taxable Assessed Valuation.....				18.19%
Ratio of Estimated Direct and Overlapping Debt to the 2020 Preliminary Taxable Assessed Valuation.....				13.60%

(a) Includes the Outstanding Bonds and the Bonds.

Overlapping Tax Rates for 2019

	2019 Tax Rate per \$100 of Taxable <u>Assessed Valuation</u>
Fort Bend County (including Drainage District).....	\$ 0.460000
Lamar Consolidated ISD.....	<u>1.320000</u>
Total Overlapping Tax Rate.....	\$ 1.780000
The District.....	<u>1.500000</u>
Total Tax Rate.....	\$ 3.280000

TAX DATA

Tax Collections

The following statement of tax collections sets forth in condensed form the historical tax collection experience of the District. This summary has been prepared for inclusion herein, based upon information from District records. Reference is made to these records for further and more complete information.

Tax Year	Certified Taxable Assessed Valuation	Tax Rate	Total Tax Levy	Total Collections as of March 31, 2020 (a)	
				Amount	Percent
2015	\$ 4,227,080	\$ 1.500	\$ 63,406	\$ 63,406	100.00%
2016	11,188,140	1.500	167,822	167,822	100.00%
2017	16,477,762	1.500	247,166	247,166	100.00%
2018	25,248,455	1.500	378,727	378,727	100.00%
2019	33,341,214	1.500	500,118	492,053	98.39%

(a) Unaudited.

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. No split payments are allowed, and no discounts are allowed.

Tax Rate Distribution

	2019	2018	2017	2016	2015
Debt Service	\$ 0.720	\$ 0.740	\$ 0.580	\$ -	\$ -
Maintenance and Operations	0.780	0.760	0.920	1.500	1.500
Total	\$ 1.500	\$ 1.500	\$ 1.500	\$ 1.500	\$ 1.500

Tax Rate Limitations

Debt Service: Unlimited (no legal limit as to rate or amount).

Maintenance and Operations: \$1.50 per \$100 of taxable assessed valuation.

Maintenance and Operations for Roads: \$0.25 per \$100 of taxable assessed valuation.

Debt Service Tax

The Board covenants in the Bond Resolution to levy and assess, for each year that all or any part of the Bonds remain outstanding and unpaid, a tax adequate to provide funds to pay the principal of and interest on the Bonds. The District levied a debt service tax for 2019 in the amount of \$0.72 per \$100 of taxable assessed valuation.

Maintenance Tax

The Board of Directors of the District has the statutory authority to levy and collect an annual ad valorem tax for maintenance of the District's improvements, if such maintenance tax is authorized by vote of the District's electors. On November 5, 2013, the Board was authorized to levy such a maintenance tax in an amount not to exceed \$1.50 per \$100 of assessed valuation and to also levy a maintenance tax for operation and maintenance of roads in an amount not to exceed \$0.25 per \$100 of assessed valuation. Such maintenance taxes are in addition to taxes which the District is authorized to levy for paying principal of and interest on the District's bonds. For the 2019 tax year, the District levied a tax for maintenance and operations in the amount of \$0.78 per \$100 assessed valuation.

Tax Exemptions

As discussed in the section titled "TAX PROCEDURES" herein, certain property in the District may be exempt from taxation by the District. For 2020, the District does not grant any residential homestead exemptions.

Additional Penalties

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

Principal Taxpayers

The following list of principal taxpayers was provided by the District’s tax assessor/collector and represents the principal taxpayers’ value as a percentage of the 2019 Certified Taxable Assessed Valuation of \$33,341,214. This represents ownership as of January 1, 2019. A principal taxpayer list related to the Preliminary Taxable Assessed Valuation as of January 1, 2020, of \$44,604,442, is not available from the Appraisal District.

<u>Taxpayer</u>	<u>Type of Property</u>	<u>2019 Certified Taxable Assessed Valuation</u>	<u>% of 2019 Certified Taxable Assessed Valuation</u>
Camillo LT 2018-SFR LLC	Land & Improvements	\$ 2,129,810	6.39%
Legend Classic Homes Ltd. (a)	Land, Improvements & Personal	606,680	1.82%
Pointe Greatwood LLC (b)	Land	474,210	1.42%
Individual	Land & Improvements	469,290	1.41%
Individual	Land & Improvements	459,810	1.38%
Individual	Land & Improvements	438,950	1.32%
Individual	Land & Improvements	424,560	1.27%
Individual	Land & Improvements	416,860	1.25%
Individual	Land & Improvements	413,230	1.24%
Individual	Land & Improvements	413,090	1.24%
Total		\$ 6,246,490	18.74%

(a) Homebuilder doing business as Princeton Classic Homes. See “THE DISTRICT—Status of Development.”

(b) The Developer. See “THE DEVELOPER”.

Summary of Assessed Valuation

The following summary of the 2019, 2018 and 2017 Certified Taxable Assessed Valuations are provided by the District’s Tax Assessor/Collector based on information provided by the Appraisal District and contained in the 2019, 2018 and 2017 tax rolls of the District. Differences in totals may vary slightly from other information herein due to differences in dates of data. A breakdown related to the Preliminary Taxable Assessed Valuation as of January 1, 2020, of \$44,604,442 is not included herein.

	<u>2019 Certified Taxable Valuation</u>	<u>2018 Certified Taxable Valuation</u>	<u>2017 Certified Taxable Valuation</u>
Land	\$ 5,853,310	\$ 5,129,970	\$ 4,871,050
Improvements	27,980,255	20,257,060	11,541,700
Personal Property	186,470	83,620	98,330
Exemptions	(678,821)	(222,195)	(33,318)
Total	<u>\$ 33,341,214</u>	<u>\$ 25,248,455</u>	<u>\$ 16,477,762</u>

Tax Adequacy for Debt Service

The calculations shown below assume, solely for purposes of illustration, no increase or decrease in assessed valuation over the 2019 Certified Taxable Assessed Valuation or Preliminary Taxable Assessed Valuation as of January 1, 2020, no use of available funds, and utilize tax rates necessary to pay the District’s average annual debt service requirements on the Outstanding Bonds and the Bonds. See “RISK FACTORS—Impact on District Tax Rates” and “DEBT SERVICE REQUIREMENTS.”

Average annual debt service requirement (2021-2044)	\$272,630
\$0.87 tax rate on the 2019 Certified Taxable Assessed Valuation of \$33,341,214 at a 95% collection rate produces	\$275,565
\$0.65 tax rate on the Preliminary Taxable Assessed Valuation as of January 1, 2020 of \$44,604,442 at a 95% collection rate produces	\$275,432

No representation or suggestion is made that the 2020 Preliminary Taxable Assessed Valuation will not be adjusted downward once certified and no person should rely upon such amount or its inclusion herein as assurance of its attainment. See “TAX PROCEDURES.”

TAX PROCEDURES

Authority to Levy Taxes

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

Property Tax Code and County-Wide Appraisal District

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

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

Property Subject to Taxation by the District

Except for certain exemptions provided by Texas law, all real property, tangible personal property held or used for the production of income, mobile homes and certain categories of intangible personal property with a tax situs in the District are subject to taxation by the District. Principal categories of exempt property include, but are not limited to: property owned by the State of Texas or its political subdivisions if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies, and personal effects; certain goods, wares and merchandise in transit; farm products owned by the producer; certain property of charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; travel trailers; and most individually owned automobiles. In addition, the District may by its own action exempt residential homesteads of persons sixty-five (65) years or older and of certain disabled persons to the extent deemed advisable by the Board. The District may be required to offer such an exemption if a majority of voters approves it at an election. The District would be required to call such an election upon petition by twenty percent (20%) of the number of qualified voters who voted in the preceding election. The District is authorized by statute to disregard exemptions for the disabled and elderly if granting the exemption would impair the District’s obligation to pay tax supported debt incurred prior to adoption of the exemption by the District. Furthermore, the District must grant exemptions to disabled veterans or certain surviving dependents of disabled veterans, if requested, of between \$5,000 and \$12,000 depending on the disability rating of the veteran. A veteran who receives a disability rating of 100% is entitled to an exemption for the full amount of the veteran’s residence homestead. Additionally, subject to certain conditions, the surviving spouse of a disabled veteran who was entitled to an exemption for the full value of the veteran’s

residence homestead is also entitled to an exemption from taxation of the total appraised value of the same property to which the disabled veteran's exemption applied. A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran's disability rating if the residence homestead was donated by a charitable organization. Also, the surviving spouse of a member of the armed forces who was killed in action is, subject to certain conditions, entitled to a total tax exemption on such surviving spouse's residence homestead. If the surviving spouse changes homesteads, but does not remarry, then the amount of the exemption as of the last year of the first qualifying residential homestead is applicable to the subsequent homesteads. The surviving spouse of a first responder who was killed or fatally injured in the line of duty is, subject to certain conditions, also entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and, subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse. See "TAX DATA."

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

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

Tax Abatement

Fort Bend County or the City of Sugar Land may designate all or part of the area within the District as a reinvestment zone. Thereafter, Fort Bend County, the District, and the City of Sugar Land (after annexation of the District), under certain circumstances, may enter into tax abatement agreements with owners of property within the zone. Prior to entering into a tax abatement agreement, each entity must adopt guidelines and criteria for establishing tax abatement, which each entity will follow in granting tax abatement to owners of property. The tax abatement agreements may exempt from ad valorem taxation by each of the applicable taxing jurisdictions, including the District, for a period of up to ten (10) years, all or any part of any increase in the 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. Each taxing jurisdiction has discretion to determine terms for its tax abatement agreements without regard to the terms approved by the other taxing jurisdictions.

Valuation of Property for Taxation

Generally, property in the District must be appraised by the Appraisal District at market value as of January 1 of each year. Once an appraisal roll is prepared and finally approved by the Appraisal Review Board, it is used by the District in establishing its tax rolls and tax rate. Generally, assessments under the Property Tax Code are to be based on one hundred percent (100%) of market value, as such is defined in the Property Tax Code. In determining market value, either the replacement cost or the income or the market data method of valuation may be used, whichever is appropriate. Nevertheless, certain land may be appraised at less than market value under the Property Tax Code. Increases in the appraised value of residence homesteads are limited by the Texas Constitution to 10 percent annually regardless of the market value of the property.

The Property Tax Code permits land designated for agricultural use, open space, or timberland to be appraised at its value based on the land's capacity to produce agricultural or timber products rather than at its market value. The Property Tax Code permits under certain circumstances that residential real property inventory held by a person in the trade or business be valued at the price all such property would bring if sold as a unit to a purchaser who would continue the business. Provisions of the Property Tax Code are complex and are not fully summarized here. Landowners wishing to avail themselves of the agricultural use, open space, or timberland designation or residential real property inventory designation must apply for the designation and the appraiser is required by the Property Tax Code to act on each claimant's right to the designation individually. A claimant may waive the special valuation as to taxation by some political subdivisions while claiming it as to another. If a claimant receives the agricultural use designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use, including taxes for the previous three (3) years for agricultural use and taxes for the previous five (5) 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 real property in the Appraisal District at least once every three (3) years. It is not known what frequency of reappraisal will be utilized by the Appraisal District or whether reappraisals will be conducted on a zone or county-wide basis. The District, however, at its expense has the right to obtain from the Appraisal District a current estimate of appraised values within the District or an estimate of any new property or improvements within the District. While such current estimate of appraised values may serve to indicate the rate and extent of growth of taxable values within the District, it cannot be used for establishing a tax rate within the District until such time as the Appraisal District chooses formally to include such values on its appraisal roll.

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

District and Taxpayer Remedies

Under certain circumstances taxpayers and taxing units (such as the District) may appeal the orders of the Appraisal Review Board by filing a timely petition for review in State district court. In such event, the value of the property in question will be determined by the court or by a jury if requested by any party. Additionally, taxing units may bring suit against the Appraisal District to compel compliance with the Property Tax Code. The Property Tax Code also establishes a procedure for notice to property owners of reappraisals reflecting increased property value, appraisals which are higher than renditions, and appraisals of property not previously on an appraisal roll.

Levy and Collection of Taxes

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

costs of an amount established by the District and a delinquent tax attorney. A delinquent tax on personal property incurs an additional penalty, in an amount established by the District and a delinquent tax attorney, 60 days after the date the taxes become delinquent. The delinquent tax accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code makes provisions for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes under certain circumstances which, at the option of the District, which may be rejected by taxing units. The District's tax collector is required to enter into an installment payment agreement with any person who is delinquent on the payment of tax on a residence homestead for payment of tax, penalties and interest, if the person requests an installment agreement and has not entered into an installment agreement with the collector in the preceding 24 months. The installment agreement must provide for payments to be made in monthly installments and must extend for a period of at least 12 months and no more than 36 months. Additionally, the owner of a residential homestead property who is (i) sixty-five (65) years of age or older, (ii) disabled, or (iii) a disabled veteran, is entitled by law to pay current taxes on a residential homestead in installments without penalty or to defer the payment of taxes during the time of ownership. In the instance of tax deferral, a tax lien remains on the property and interest continue to accrue during the period of deferral.

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

Rollback of Operation and Maintenance Tax Rate

During the 86th Regular Legislative Session, Senate Bill 2 ("SB 2") was passed and signed by the Governor, with an effective date of January 1, 2020, and the provisions described herein are effective beginning with the 2020 tax year. See "SELECTED FINANCIAL INFORMATION" for a description of the District's current total tax rate. Debt service and contract tax rates cannot be reduced by a rollback election held within any of the districts described below.

SB 2 classifies districts differently based on the current operation and maintenance tax rate or on the percentage of build-out that the District has completed. Districts that have adopted an operation and maintenance tax rate for the current year that is 2.5 cents or less per \$100 of taxable value are classified as "Special Taxing Units." Districts that have financed, completed, and issued bonds to pay for all improvements and facilities necessary to serve at least 95% of the projected build-out of the district are classified as "Developed Districts." Districts that do not meet either of the classifications previously discussed can be classified herein as "Developing Districts." The impact each classification has on the ability of a district to increase its maintenance and operations tax rate pursuant to SB 2 is described for each classification 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, are required to hold an election within the district to determine whether to approve the adopted total tax rate. If the adopted total tax rate is not approved at the election, the total tax rate for a Special Taxing Unit is the current year's debt service and contract tax rate plus 1.08 times the previous year's operation and maintenance tax rate.

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

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

The District: A determination as to a district's status as a Special Taxing Unit, Developed District or Developing District will be made by the Board of Directors on an annual basis, beginning with the 2020 tax rate. The District cannot give any assurances as to what its classification will be at any point in time or whether the District's future tax rates will result in a total tax rate that will reclassify the District into a new classification and new election calculation.

District's Rights in the Event of Tax Delinquencies

Taxes levied by the District are a personal obligation of the owner of the property as of January 1 of the year for which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all state and local taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of the State of Texas and each local taxing unit, including the District, having power to tax the property. The District's tax lien is on a parity with tax liens of such other taxing units. See "ESTIMATED OVERLAPPING DEBT STATEMENT—Overlapping Tax Rates for 2019." A tax lien on real property takes priority over the claim of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien; however, whether a lien of the United States is on a parity with or takes priority over a tax lien of the District is determined by applicable federal law. Personal property under certain circumstances is subject to seizure and sale for the payment of delinquent taxes, penalty, and interest.

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

WATER AND SEWER OPERATIONS

General

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

Waterworks and Sewer System Operating Statement

The following statement sets forth in condensed form the historical results of operation of the District's General Fund. Accounting principles customarily employed in the determination of net revenues have been observed and, in all instances, exclude depreciation. Such summary is based upon information obtained from the District's audited financial statements for fiscal years February 28, 2017 through 2019, and an unaudited summary for fiscal year ending February 29, 2020 prepared by the District's Bookkeeper. Reference is made to such statements and records for further and more complete information.

	3/1/19 to 2/29/2020 (a)	Fiscal Year Ended February 28		
		2019	2018	2017 (b)
Revenues				
Property Taxes	\$ 271,781	\$ 193,705	\$ 157,487	\$ 161,873
Water Service	52,404	44,811	34,778	20,266
Sewer Service	26,760	23,116	15,785	9,345
Fire Service	30,965	24,957	19,101	10,465
Penalty and Interest	2,255	2,404	231	393
Tap Connection and Inspection Fees	46,290	10,545	56,630	20,485
Surface Water Fees	56,494	44,175	39,326	30,668
Investment Earnings	1,355	204	181	70
Total Revenues	\$ 488,304	\$ 343,917	\$ 323,519	\$ 253,565
Expenditures				
Professional Fees	\$ 84,053	\$ 80,698	\$ 72,442	\$ 38,382
Contracted Services	69,624	61,204	49,863	35,163
Repairs and Maintenance	77,444	74,749	58,899	45,343
Utilities	3,587	806	696	633
Regional Water Authority Fees	8,377	40,410	27,849	23,501
Administrative	15,448	17,002	18,922	14,416
Purchased Services	81,548	44,085	12,431	-
Tap Connections/Inspections	24,887	-	-	-
Other	700	725	5,125	-
Master District Fees	-	-	15,219	16,099
Total Expenditures	\$ 365,668	\$ 319,679	\$ 261,446	\$ 173,537
Revenues Over (Under) Expenditures	\$ 122,636	\$ 24,238	\$ 62,073	\$ 80,028
Other Sources				
Transfers In (Out)	-	-	-	-
Fund Balance (Beginning of Year)	\$ 216,306	\$ 192,068	\$ 129,995	\$ 49,967
Fund Balance (End of Year)	\$ 338,942	\$ 216,306	\$ 192,068	\$ 129,995

(a) Unaudited. Prepared by the District's Bookkeeper.

(b) Initial year of audit.

DEBT SERVICE REQUIREMENTS

The following table sets forth the debt service requirements for the Outstanding Bonds and the Bonds.

Year	Outstanding Bonds Debt Service Requirements	Plus: Debt Service on the Bonds			Total Debt Service Requirements
		Principal	Interest	Total	
2020	\$ 226,338		\$ 6,600	\$ 6,600	\$ 232,938
2021	233,638	\$ 35,000	26,400	61,400	295,038
2022	230,638	35,000	25,350	60,350	290,988
2023	232,638	35,000	24,300	59,300	291,938
2024	234,406	35,000	23,250	58,250	292,656
2025	235,863	35,000	22,200	57,200	293,063
2026	237,063	35,000	21,150	56,150	293,213
2027	238,025	35,000	20,100	55,100	293,125
2028	233,713	35,000	19,050	54,050	287,763
2029	239,400	35,000	18,000	53,000	292,400
2030	234,413	35,000	16,950	51,950	286,363
2031	239,425	35,000	15,900	50,900	290,325
2032	234,000	35,000	14,850	49,850	283,850
2033	238,575	35,000	13,800	48,800	287,375
2034	237,700	35,000	12,575	47,575	285,275
2035	236,650	35,000	11,350	46,350	283,000
2036	235,400	35,000	10,125	45,125	280,525
2037	238,975	35,000	8,900	43,900	282,875
2038	231,525	35,000	7,675	42,675	274,200
2039	234,075	30,000	6,450	36,450	270,525
2040	230,950	30,000	5,400	35,400	266,350
2041	232,625	30,000	4,350	34,350	266,975
2042	228,875	30,000	3,263	33,263	262,138
2043	229,900	30,000	2,175	32,175	262,075
2044	-	30,000	1,088	31,088	31,088
Total	\$ 5,624,806	\$ 810,000	\$ 341,250	\$ 1,151,250	\$ 6,776,056

Average Annual Debt Service Requirements (2021-2044).....\$272,630
 Maximum Annual Debt Service Requirements (2021)\$295,038

LEGAL MATTERS

Legal Proceedings

Delivery of the Bonds will be accompanied by the unqualified approving legal opinion of the Attorney General of Texas to the effect that the Bonds are valid and legally binding obligations of the District under the Constitution and laws of the State of Texas payable from the proceeds of an annual ad valorem tax levied by the District, without limit as to rate or amount, upon all taxable property within the District, and, based upon their examination of a transcript of certified proceedings relating to the issuance and sale of the Bonds, the approving legal opinion of Allen Boone Humphries Robinson LLP, 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.

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

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

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

No Material Adverse Change

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

No-Litigation Certificate

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

TAX MATTERS

In the opinion of Allen Boone Humphries Robinson LLP, Bond Counsel, under existing law, interest on the Bonds is excludable from gross income for federal income tax purposes and interest on the Bonds is not subject to the alternative minimum tax on individuals.

The Internal Revenue Code of 1986, as amended (the “Code”) imposes a number of requirements that must be satisfied for interest on state or local obligations, such as the Bonds, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of proceeds and the source of repayment limitations on the investment of proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of proceeds be paid periodically to the United States and a requirement that the issuer file an information report with the Internal Revenue Service (the “Service”). The District has covenanted in the Bond Resolution that it will comply with these requirements.

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

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

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

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

Tax Accounting Treatment of Original Issue Discount Bonds

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

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

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

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

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

Qualified Tax-Exempt Obligations

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

The District has designated the Bonds as "qualified tax-exempt obligations" and will represent that the aggregate amount of tax-exempt bonds (including the Bonds) issued by the District and entities aggregated with the District under the Code during calendar year 2020 is not expected to exceed \$10,000,000 and that the District and entities aggregated with the District under the Code have not designated more than \$10,000,000 in "qualified tax-exempt obligations" (including the Bonds) during calendar year 2020.

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

SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the Bonds, the District accepted the bid resulting in the lowest net interest cost, which bid was tendered by RBC Capital Markets, LLC (the "Initial Purchaser") bearing the interest rates shown on the cover page hereof, at a price of 97.00% of the principal amount thereof plus accrued interest to the date of delivery which resulted in a net effective interest rate of 3.634601% as calculated pursuant to Chapter 1204 of the Texas Government Code.

Prices and Marketability

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

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

Securities Laws

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

PREPARATION OF OFFICIAL STATEMENT

Sources and Compilation of Information

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

Financial Advisor

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

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

The Financial Advisor has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the District and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

Consultants

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

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

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

Tax Assessor/Collector: The information contained in this Official Statement relating to the historical breakdown of the Assessed Valuations, principal taxpayers, and certain other historical data concerning tax rates and tax collections has been provided by Tax Tech, Inc., and is included herein in reliance upon her authority as an expert in assessing and collecting taxes.

Auditor: The District's financial statements for the fiscal year ending February 28, 2019 were audited by McGrath & Co., PLLC. See APPENDIX A for a copy of the District's audited financial statements for the fiscal year ended February 28, 2019.

Bookkeeper: The information related to the "unaudited" summary of the District's General Operating Fund as it appears in "WATER AND SEWER OPERATIONS" has been prepared by F Matuska, Inc. and is included herein in reliance upon the authority of such firm as experts in the tracking and managing the various funds of municipal utility districts.

Updating the Official Statement

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

Certification of Official Statement

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

CONTINUING DISCLOSURE OF INFORMATION

The offering of the Bonds qualifies for the Rule 15c2-12(d)(2) exemption from Rule 15c2-12(b)(5) of the United States Securities and Exchange Commission (the "SEC") regarding the District's continuing disclosure obligations because the District does not have more than \$10,000,000 in aggregate amount of bonds outstanding and no person is committed by contract or other arrangement with respect to payment of the Bonds; accordingly, in the Bond Resolution, the District has made the following agreement for the benefit of the registered holders and beneficial owners of the Bonds. The District is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the District will be obligated to provide certain financial information and operating data annually, and timely notice of specified events, to the Municipal Securities Rulemaking Board ("MSRB"). The MSRB has established the Electronic Municipal Market Access ("EMMA") system.

Annual Reports

The District will provide certain financial information and operating data which is customarily prepared by the District and publicly available annually to the MSRB. The information to be updated with respect to the District includes all quantitative financial information and operating data of the general type included in "APPENDIX A (District's Audited Financial Statements)". The District will update and provide this information within six months after the end of each of its fiscal years ending in or after 2020. Any information concerning the District so provided shall be prepared in accordance with generally accepted auditing standards or other such principles as the District may be required to employ from time to time pursuant to state law or regulation, and audited if the audit report is completed within the period during which it must be provided. If the audit report of the District is not complete within such period, then the District shall provide unaudited financial statements for the fiscal year to the MSRB within such six month period and audited financial statements when the audit report becomes available.

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

Specified Event Notices

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

Availability of Information from MSRB

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

Limitations and Amendments

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

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

Compliance with Prior Undertakings

The District has complied in all material respects with its continuing disclosure agreements made in accordance with SEC Rule 15c2-12.

MISCELLANEOUS

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

This Official Statement was approved by the Board of Directors of Fort Bend County Municipal Utility District No. 192, as of the date shown on the cover page.

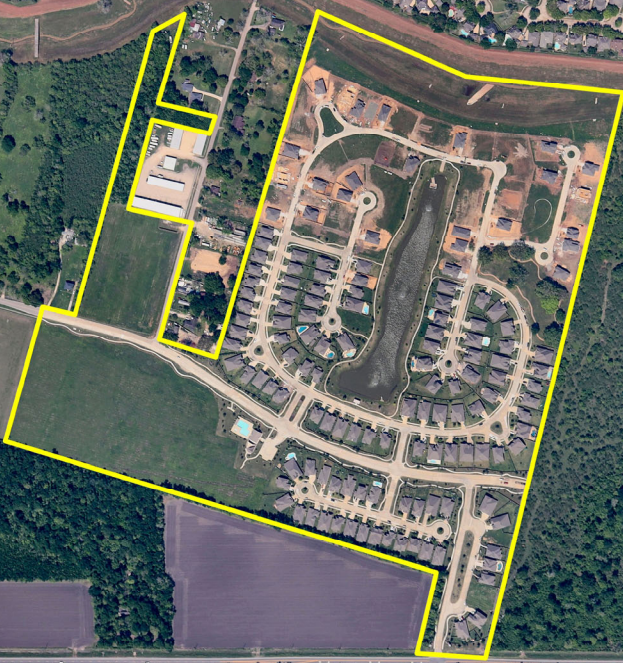
/s/ Darrell Kainer
President, Board of Directors
Fort Bend County Municipal Utility District No. 192

ATTEST:

/s/ Lester Jones
Secretary, Board of Directors
Fort Bend County Municipal Utility District No. 192

AERIAL PHOTOGRAPH
(Approximate boundaries of the District as of March 2020)

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



RABBS CROSSING



FM 2759

**PHOTOGRAPHS OF THE DISTRICT
(Taken March 2020)**













APPENDIX A

District Audited Financial Statements for the fiscal year ended February 28, 2019

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

FORT BEND COUNTY, TEXAS

FINANCIAL REPORT

February 28, 2019

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McGRATH & CO., PLLC

Certified Public Accountants
2500 Tanglewilde, Suite 340
Houston, Texas 77063

Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities and each major fund of Fort Bend County Municipal Utility District No. 192, as of and for the year ended February 28, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient to provide a basis for our audit opinions.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Fort Bend County Municipal Utility District No. 192, as of February 28, 2019, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

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, 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.

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

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

Houston, Texas
June 5, 2019

Management's Discussion and Analysis

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***Fort Bend County Municipal Utility District No. 192
Management's Discussion and Analysis
February 28, 2019***

Using this Annual Report

Within this section of the financial report of Fort Bend County Municipal Utility District No. 192 (the "District"), the District's Board of Directors provides a narrative discussion and analysis of the financial activities of the District for the fiscal year ended February 28, 2019. This analysis should be read in conjunction with the independent auditors' report and the basic financial statements that follow this section.

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

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

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

Fort Bend County Municipal Utility District No. 192
Management's Discussion and Analysis
February 28, 2019

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

Fund Financial Statements

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

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

Financial Analysis of the District as a Whole

The District's net position at February 28, 2019, was negative \$4,213,319. The District's net position is negative because the District incurs debt to construct public roads which it conveys to Fort Bend County or the Texas Department of Transportation ("TxDOT"). A comparative summary of the District's overall financial position, as of February 28, 2019 and 2018, is as follows:

	2019	2018
Current and other assets	\$ 641,297	\$ 381,157
Capital assets	5,148,636	5,239,078
Total assets	<u>5,789,933</u>	<u>5,620,235</u>
Current liabilities	68,723	71,667
Long-term liabilities	9,934,529	9,110,138
Total liabilities	<u>10,003,252</u>	<u>9,181,805</u>
Net position		
Net investment in capital assets	(1,474,046)	(591,441)
Restricted	263,470	102,437
Unrestricted	(3,002,743)	(3,072,566)
Total net position	<u>\$ (4,213,319)</u>	<u>\$ (3,561,570)</u>

Fort Bend County Municipal Utility District No. 192
Management's Discussion and Analysis
February 28, 2019

The total net position of the District decreased during the current fiscal year by \$651,749. A comparative summary of the District's *Statement of Activities* for the past two years is as follows:

	<u>2019</u>	<u>2018</u>
Revenues		
Water and sewer service	\$ 67,927	\$ 50,563
Property taxes, penalties and interest	383,700	252,951
Other	80,324	115,407
Total revenues	<u>531,951</u>	<u>418,921</u>
Expenses		
Current service operations	462,571	276,863
Master District fees		15,219
Debt interest and fees	91,849	35,958
Developer interest	250,466	119,612
Debt issuance costs	224,291	127,449
Depreciation and amortization	154,523	151,319
Total expenses	<u>1,183,700</u>	<u>726,420</u>
Change in net position before other item	(651,749)	(307,499)
Other item		
Transfers to other governments		<u>(325,921)</u>
Change in net position	(651,749)	(633,420)
Net position, beginning of year	<u>(3,561,570)</u>	<u>(2,928,150)</u>
Net position, end of year	<u>\$ (4,213,319)</u>	<u>\$ (3,561,570)</u>

Financial Analysis of the District's Funds

The District's combined fund balances, as of February 28, 2019, were \$606,568 which consists of \$216,306 in the General Fund, \$262,974 in the Debt Service Fund, and \$127,288 in the Capital Projects Fund.

General Fund

A comparative summary of the General Fund's financial position as of February 28, 2019 and 2018 is as follows:

	<u>2019</u>	<u>2018</u>
Total assets	<u>\$ 245,837</u>	<u>\$ 229,424</u>
Total liabilities	\$ 29,021	\$ 36,248
Total deferred inflows	510	1,108
Total fund balance	<u>216,306</u>	<u>192,068</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 245,837</u>	<u>\$ 229,424</u>

Fort Bend County Municipal Utility District No. 192
Management's Discussion and Analysis
February 28, 2019

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

	2019	2018
Total revenues	\$ 343,917	\$ 323,519
Total expenditures	(319,679)	(261,446)
Revenues over expenditures	<u>\$ 24,238</u>	<u>\$ 62,073</u>

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

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

Debt Service Fund

A comparative summary of the Debt Service Fund's financial position as of February 28, 2019 and 2018 is as follows:

	2019	2018
Total assets	<u>\$ 263,470</u>	<u>\$ 102,856</u>
Total liabilities	\$ -	\$ 419
Total deferred inflows	496	698
Total fund balance	<u>262,974</u>	<u>101,739</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 263,470</u>	<u>\$ 102,856</u>

Fort Bend County Municipal Utility District No. 192
Management's Discussion and Analysis
February 28, 2019

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

	2019	2018
Total revenues	\$ 188,671	\$ 95,105
Total expenditures	(113,499)	(46,491)
Revenues over expenditures	75,172	48,614
Other changes in fund balance	86,063	53,125
Net change in fund balance	<u>\$ 161,235</u>	<u>\$ 101,739</u>

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

Capital Projects Fund

A comparative summary of the Capital Projects Fund's financial position as of February 28, 2019 and 2018 is as follows:

	2019	2018
Total assets	<u>\$ 131,990</u>	<u>\$ 48,877</u>
Total liabilities	\$ 4,702	\$ -
Total fund balance	<u>127,288</u>	<u>48,877</u>
Total liabilities and fund balance	<u>\$ 131,990</u>	<u>\$ 48,877</u>

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

	2019	2018
Total revenues	\$ 163	\$ 92
Total expenditures	(1,935,689)	(1,398,090)
Revenues under expenditures	(1,935,526)	(1,397,998)
Other changes in fund balance	2,013,937	1,446,875
Net change in fund balance	<u>\$ 78,411</u>	<u>\$ 48,877</u>

The District has had considerable capital asset activity in the last two years, which was financed with proceeds from the issuance of its Series 2018 Bond Anticipation Note and Series 2018 Unlimited Tax Bonds in the current year and issuance of its Series 2017 Unlimited Tax Road Bonds in the prior year.

Fort Bend County Municipal Utility District No. 192
Management's Discussion and Analysis
February 28, 2019

General Fund Budgetary Highlights

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

Since the District's budget is primarily a planning tool, actual results varied from the budgeted amounts. Actual net change in fund balance was \$4,613 greater than budgeted. The *Budgetary Comparison Schedule* on page 32 of this report provides variance information per financial statement line item.

Capital Assets

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

Capital assets held by the District at February 28, 2019 and 2018 are summarized as follows:

	2019	2018
Capital assets not being depreciated		
Land and improvements	\$ 490,314	\$ 490,314
Capital assets being depreciated/amortized		
Infrastructure	3,420,027	3,420,027
Landscaping improvements	1,342,518	1,278,437
Connection charges	433,060	433,060
	<u>5,195,605</u>	<u>5,131,524</u>
Less accumulated depreciation/amortization		
Infrastructure	(304,006)	(228,005)
Landscaping improvements	(210,485)	(143,359)
Connection charges	(22,792)	(11,396)
	<u>(537,283)</u>	<u>(382,760)</u>
Depreciable capital assets, net	<u>4,658,322</u>	<u>4,748,764</u>
Capital assets, net	<u>\$ 5,148,636</u>	<u>\$ 5,239,078</u>

Fort Bend County and TxDOT assume responsibility for public roads constructed within the county. Consequently, these projects are not recorded as capital assets on the District's financial statements but are recorded as transfers to other governments upon completion of construction.

Long-Term Debt and Related Liabilities

As of February 28, 2019, the District owes \$6,354,529 to its developer for completed projects and operating advances. As discussed in Note 7, the District has an additional commitment in the amount

Fort Bend County Municipal Utility District No. 192
Management's Discussion and Analysis
February 28, 2019

of \$1,199,383 for projects under construction by the developer. As previously mentioned, the District will owe its developer for these projects upon completion of construction, at which time the cost of the capital asset and related liability will be estimated and recorded on the District's financial statements. The estimated cost is trued up when the developer is reimbursed. The District intends to reimburse the developer from proceeds of future bond issues or other lawfully available funds.

At February 28, 2019 and 2018, the District had total bonded debt outstanding as shown below:

Series	2019	2018
2017 Road	\$ 1,465,000	\$ 1,500,000
2018	2,150,000	
	<u>\$ 3,615,000</u>	<u>\$ 1,500,000</u>

During the year, the District issued \$2,150,000 in unlimited tax bonds. At February 28, 2019, the District had \$26,450,000 unlimited tax bonds authorized, but unissued for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage systems within the District and the refunding of such bonds; \$5,900,000 for parks and recreational facilities and the refunding of such bonds; and \$18,650,000 for road improvements and the refunding of such bonds.

During the year, the District issued a \$1,110,000 bond anticipation note (BAN) to provide short term financing for developer reimbursements. The District repaid the BAN with proceeds from the issuance of its Series 2018 Unlimited Tax Bonds. See Note 6 for additional information.

Next Year's Budget

In establishing the budget for the next fiscal year, the Board considered various economic factors that may affect the District, most notably projected revenues from property taxes 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:

	2019 Actual	2020 Budget
Total revenues	\$ 343,917	\$ 423,550
Total expenditures	(319,679)	(423,750)
Revenues over/(under) expenditures	24,238	(200)
Beginning fund balance	192,068	216,306
Ending fund balance	<u>\$ 216,306</u>	<u>\$ 216,106</u>

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Basic Financial Statements

Fort Bend County Municipal Utility District No. 192
Statement of Net Position and Governmental Funds Balance Sheet
February 28, 2019

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets						
Cash	\$ 156,958	\$ 341,088	\$ 131,990	\$ 630,036	\$ -	\$ 630,036
Taxes receivable	510	496		1,006		1,006
Customer service receivables	10,255			10,255		10,255
Internal balances	78,114	(78,114)				
Capital assets not being depreciated					490,314	490,314
Capital assets, net					4,658,322	4,658,322
Total Assets	\$ 245,837	\$ 263,470	\$ 131,990	\$ 641,297	5,148,636	5,789,933
Liabilities						
Accounts payable	\$ 28,903	\$ -	\$ 4,702	\$ 33,605		33,605
Other payables	118			118		118
Due to developer					6,354,529	6,354,529
Long-term debt						
Due within one year					35,000	35,000
Due after one year					3,580,000	3,580,000
Total Liabilities	29,021		4,702	33,723	9,969,529	10,003,252
Deferred Inflows of Resources						
Deferred property taxes	510	496		1,006	(1,006)	
Fund Balances/Net Position						
Fund Balances						
Restricted		262,974	127,288	390,262	(390,262)	
Unassigned	216,306			216,306	(216,306)	
Total Fund Balances	216,306	262,974	127,288	606,568	(606,568)	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 245,837	\$ 263,470	\$ 131,990	\$ 641,297		
Net Position						
Net investment in capital assets					(1,474,046)	(1,474,046)
Restricted for debt service					263,470	263,470
Unrestricted					(3,002,743)	(3,002,743)
Total Net Position					\$ (4,213,319)	\$ (4,213,319)

See notes to basic financial statements.

Fort Bend County Municipal Utility District No. 192

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

For the Year Ended February 28, 2019

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues						
Water service	\$ 44,811	\$ -	\$ -	\$ 44,811	\$ -	\$ 44,811
Sewer service	23,116			23,116		23,116
Fire service	24,957			24,957		24,957
Property taxes	193,705	188,227		381,932	(800)	381,132
Penalties and interest	2,404	164		2,568		2,568
Surface water fees	44,175			44,175		44,175
Tap connection and inspection	10,545			10,545		10,545
Investment earnings	204	280	163	647		647
Total Revenues	343,917	188,671	163	532,751	(800)	531,951
Expenditures/Expenses						
Current service operations						
Purchased services	44,085			44,085		44,085
Professional fees	80,698		132,133	212,831		212,831
Contracted services	61,204	8,425		69,629		69,629
Repairs and maintenance	74,749			74,749		74,749
Utilities	806			806		806
Regional Water Authority fees	40,410			40,410		40,410
Administrative	17,002	2,174	160	19,336		19,336
Other	725			725		725
Capital outlay			1,304,690	1,304,690	(1,304,690)	
Debt service						
Principal		35,000		35,000	(35,000)	
Interest and fees		67,900	23,949	91,849		91,849
Developer interest			250,466	250,466		250,466
Debt issuance costs			224,291	224,291		224,291
Depreciation and amortization					154,523	154,523
Total Expenditures/Expenses	319,679	113,499	1,935,689	2,368,867	(1,185,167)	1,183,700
Revenues Over/(Under)						
Expenditures/Expenses	24,238	75,172	(1,935,526)	(1,836,116)	1,836,116	
Other Financing Sources/(Uses)						
Proceeds from sale of bonds		86,063	2,063,937	2,150,000	(2,150,000)	
Proceeds from bond anticipation note			1,110,000	1,110,000	(1,110,000)	
Repayment of developer advances			(50,000)	(50,000)	50,000	
Repayment of bond anticipation note			(1,110,000)	(1,110,000)	1,110,000	
Net Change in Fund Balances	24,238	161,235	78,411	263,884	(263,884)	
Change in Net Position					(651,749)	(651,749)
Fund Balances/Net Position						
Beginning of the year	192,068	101,739	48,877	342,684	(3,904,254)	(3,561,570)
End of the year	\$ 216,306	\$ 262,974	\$ 127,288	\$ 606,568	\$ (4,819,887)	\$ (4,213,319)

See notes to basic financial statements.

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Note 1 – Summary of Significant Accounting Policies

The accounting policies of Fort Bend County Municipal Utility District No. 192 (the “District”) conform with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board. The following is a summary of the most significant policies:

Creation

The District was created under Article XVI, Section 59 of the Texas Constitution by Senate Bill 994, as passed by the 81st Texas Legislature on June 19, 2009, and operates in accordance with Chapter 8330 of the Texas Special District Local Laws Code, and Chapters 49 and 54 of the Texas Water Code, as amended. The Board of Directors held its first meeting on August 16, 2013 and the first bonds were sold on June 29, 2017.

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

Reporting Entity

The District is a political subdivision of the State of Texas governed by an elected five-member board. The Governmental Accounting Standards Board has established the criteria for determining whether or not an entity is a primary government, a component unit of a primary government or a related organization. A primary government has a separately elected governing body; is legally separate; and is fiscally independent of other state and local governments. 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)

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Receivables from and payables to external parties are reported separately and are not offset, unless a legal right of offset exists. At February 28, 2019, 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 \$5,000 or more and an estimated useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire the asset on the acquisition date. The District has not capitalized interest incurred during the construction of its capital assets. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

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

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

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

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

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

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 useful lives and impairment of capital assets; the value of amounts due to developer; the value of capital assets transferred to the Fort Bend County and the Texas Department of Transportation (TxDOT) and the value of capital assets for which the developer has not been fully reimbursed. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from the estimates.

Fort Bend County Municipal Utility District No. 192
Notes to Basic Financial Statements
February 28, 2019

Note 2 – Adjustment from Governmental to Government-wide Basis

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

Total fund balances, governmental funds	\$ 606,568
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental	
Historical cost	\$ 5,685,919
Less accumulated depreciation/amortization	<u>(537,283)</u>
Change due to capital assets	5,148,636
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.	(3,615,000)
Amounts due to the District's developer for prefunded construction and operating advances are recorded as a liability in the <i>Statement of Net Position</i> .	(6,354,529)
Property taxes receivable have been levied and are due, but are not available soon enough to pay current period expenditures and, therefore, are deferred in the funds.	1,006
Total net position - governmental activities	<u><u>\$ (4,213,319)</u></u>

Fort Bend County Municipal Utility District No. 192
Notes to Basic Financial Statements
February 28, 2019

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

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

Net change in fund balances - total governmental funds \$ 263,884

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 (800)

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.

Capital outlays	\$ 1,304,690	
Depreciation/amortization expense	<u>(154,523)</u>	
		1,150,167

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal uses current financial resources. However, neither transaction has any effect on net assets. Other elements of debt financing are reported differently between the fund and government wide statements.

Issuance of long term debt	(2,150,000)	
Issuance of bond anticipation note	(1,110,000)	
Principal payments	35,000	
Repayment of bond anticipation note	<u>1,110,000</u>	
		(2,115,000)

Amounts repaid to the District's developer for operating advances use financial resources at the fund level, but reduce the liability in the *Statement of Net Position*. 50,000

Change in net position of governmental activities \$ (651,749)

Note 3 – Deposits and Investments

Deposit Custodial Credit Risk

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

Investments

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

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

Note 4 – Interfund Balances and Transactions

Amounts due to/from other funds at February 28, 2019, consist of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amounts</u>	<u>Purpose</u>
General Fund	Debt Service Fund	\$ 78,114	Maintenance tax collections not remitted as of year end

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

Fort Bend County Municipal Utility District No. 192
Notes to Basic Financial Statements
February 28, 2019

Note 5 – Capital Assets

A summary of changes in capital assets, for the year ended February 28, 2019, is as follows:

	Beginning Balances	Additions/ Adjustments	Ending Balances
Capital assets not being depreciated			
Land and improvements	\$ 490,314		\$ 490,314
Capital assets being depreciated/amortized			
Infrastructure	3,420,027		3,420,027
Landscaping improvements	1,278,437	64,081	1,342,518
Connection charges	433,060		433,060
	<u>5,131,524</u>	<u>64,081</u>	<u>5,195,605</u>
Less accumulated depreciation/amortization			
Infrastructure	(228,005)	(76,001)	(304,006)
Landscaping improvements	(143,359)	(67,126)	(210,485)
Connection charges	(11,396)	(11,396)	(22,792)
	<u>(382,760)</u>	<u>(154,523)</u>	<u>(537,283)</u>
Subtotal depreciable capital assets, net	<u>4,748,764</u>	<u>(90,442)</u>	<u>4,658,322</u>
Capital assets, net	<u>\$ 5,239,078</u>	<u>\$ (90,442)</u>	<u>\$ 5,148,636</u>

Depreciation/amortization expense for the current year was \$154,523.

Note 6 – Bond Anticipation Note

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

On May 16, 2018, the District issued a \$1,110,000 BAN with an interest rate of 3.50% which was due on May 15, 2019. The district paid this BAN on December 27, 2018 with proceeds from the issuance of its Series 2018 Unlimited Tax Bonds.

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

Beginning balance	\$ -
Amounts borrowed	1,110,000
Amounts repaid	<u>(1,110,000)</u>
Ending balance	<u>\$ -</u>

Fort Bend County Municipal Utility District No. 192
Notes to Basic Financial Statements
February 28, 2019

Note 7 – Due to Developer

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

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

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

Due to developer, beginning of year	\$ 7,645,138
Developer reimbursements	(1,304,690)
Developer funded construction and adjustments	64,081
Reimbursement of operating advances	<u>(50,000)</u>
Due to developer, end of year	<u><u>\$ 6,354,529</u></u>

In addition, the District will owe the developer approximately \$1,199,383, 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.

	<u>Contract Amount</u>	<u>Amounts Paid</u>	<u>Remaining Commitment</u>
Facilities to serve Greatwood Lake, Section 2A	\$ 1,199,383	\$ 1,149,065	\$ 50,318

Note 8 – Long-Term Debt

Long-term debt is comprised of the following:

Bonds payable	<u><u>\$ 3,615,000</u></u>
Due within one year	<u><u>\$ 35,000</u></u>

Fort Bend County Municipal Utility District No. 192
Notes to Basic Financial Statements
February 28, 2019

Note 8 – Long-Term Debt (continued)

The District’s bonds payable at February 28, 2019, consists of unlimited tax bonds as follows:

Series	Amounts Outstanding	Original Issue	Interest Rates	Maturity Date, Serially, Beginning/ Ending	Interest Payment Dates	Call Dates
2017 Road	\$ 1,465,000	\$ 1,500,000	3.0% - 4.0%	September 1, 2018-2042	September 1, March 1	September 1, 2023
2018	2,150,000	2,150,000	3.0% - 4.5%	September 1, 2020-2043	September 1, March 1	September 1, 2024
	<u>\$ 3,615,000</u>					

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

At February 28, 2019, the District had authorized but unissued bonds in the amount of \$26,450,000 for water, sewer and drainage facilities and the refunding of such bonds; \$5,900,000 for parks and recreational facilities and the refunding of such bonds; and \$18,650,000 for road improvements and the refunding of such bonds.

On December 27, 2018, the District issued its \$2,150,000 Series 2018 Unlimited Tax Bonds at a net effective interest rate of 4.404644%. Proceeds of the bonds were used (1) to reimburse the developer for the following: the construction of capital assets within the District and other costs associated with the construction of capital assets; the acquisition of land for certain District facilities; operating advances; and creation costs, (2) to repay a \$1,110,000 BAN issued in the current year; (3) to pay developer interest at the net effective interest rate of the bonds and (4) 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	\$ 1,500,000
Bonds issued	2,150,000
Bonds retired	(35,000)
Bonds payable, end of year	<u>\$ 3,615,000</u>

Fort Bend County Municipal Utility District No. 192
Notes to Basic Financial Statements
February 28, 2019

Note 8 – Long-Term Debt (continued)

The debt service payment due March 1 was made during the current fiscal year. The following schedule was prepared presuming this practice will continue. As of February 28, 2019, annual debt service requirements on bonds outstanding are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2020	\$ 35,000	\$ 136,862	\$ 171,862
2021	90,000	134,987	224,987
2022	100,000	132,137	232,137
2023	100,000	129,137	229,137
2024	105,000	126,022	231,022
2025	110,000	122,634	232,634
2026	115,000	118,963	233,963
2027	120,000	115,044	235,044
2028	125,000	110,869	235,869
2029	125,000	106,556	231,556
2030	135,000	101,906	236,906
2031	135,000	96,919	231,919
2032	145,000	91,713	236,713
2033	145,000	86,288	231,288
2034	155,000	115,725	270,725
2035	160,000	112,537	272,537
2036	165,000	108,362	273,362
2037	170,000	104,025	274,025
2038	180,000	99,197	279,197
2039	180,000	93,884	273,884
2040	190,000	88,263	278,263
2041	195,000	82,269	277,269
2042	205,000	75,894	280,894
2043	210,000	69,281	279,281
2044	220,000	4,950	224,950
	<u>\$ 3,615,000</u>	<u>\$ 2,564,422</u>	<u>\$ 6,179,422</u>

Note 9 – Property Taxes

On November 18, 2013, the voters of the District authorized the District’s Board of Directors to levy taxes annually for use in financing general operations limited to \$1.50 per \$100 of assessed value and \$0.25 per \$100 of assessed value for road maintenance. The District’s bond resolutions require that property taxes be levied for use in paying interest and principal on long-term debt and for use in paying the cost of assessing and collecting taxes. Taxes levied to finance debt service requirements on long-term debt are without limitation as to rate or amount.

Fort Bend County Municipal Utility District No. 192
Notes to Basic Financial Statements
February 28, 2019

Note 9 – Property Taxes (continued)

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

Property taxes are collected based on rates adopted in the year of the levy. The District's 2019 fiscal year was financed through the 2018 tax levy, pursuant to which the District levied property taxes of \$1.50 per \$100 of assessed value, of which \$0.76 was allocated to maintenance and operations, \$0.42 was allocated to water, sewer, and drainage debt service, and \$0.32 was allocated to road debt service. The resulting tax levy was \$381,132 on the adjusted taxable value of \$25,408,790.

Note 10 – Transfers to Other Governments

Fort Bend County and the Texas Department of Transportation assume responsibility for the maintenance of public roads constructed within the boundaries of the District. Accordingly, the District does not record these capital assets in the *Statement of Net Position*, but instead reports the completed projects as transfers to other governments on the *Statement of Activities*. The estimated cost of each project is trued-up when the developer is subsequently reimbursed.

Note 11 – Regional Water Supply and Wastewater Treatment System; City Services

The District currently obtains its water supply and wastewater treatment from City of Sugar Land. The District pays to the City the wholesale-water and sewer rates adopted by the City's Code of Ordinances (currently \$1.04/1,000 gallons and \$1.46/1,000 gallons for wastewater).

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

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

Fort Bend County Municipal Utility District No. 192
Notes to Basic Financial Statements
February 28, 2019

Note 11 – Regional Water Supply and Wastewater Treatment System; City Services (continued)

The District also has entered into a Groundwater Reduction Plan Participation Agreement with the City dated March 1, 2017 and, in consideration of inclusion in the City's Groundwater Reduction Plan, the District pays to the City a pumpage fee (currently \$1.88 per 1,000 gallon) and an out of City service charge (\$0.38 per 1,000 gallons) pumped from a permitted well or supplied to the District. During the current year, the District paid the City \$44,085 for purchased water and wastewater treatment.

The District pays a fire fee per connection (currently \$17.96/connection) and an out of City service charge (\$3.59/connection) to the City for the provision of fire services pursuant to a Fire Protection Agreement with the City November 8, 2014.

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.

Required Supplementary Information

Fort Bend County Municipal Utility District No. 192
Required Supplementary Information - Budgetary Comparison Schedule - General Fund
For the Year Ended February 28, 2019

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Water service	\$ 50,000	\$ 44,811	\$ (5,189)
Sewer service	45,800	23,116	(22,684)
Fire service	30,000	24,957	(5,043)
Property taxes	185,000	193,705	8,705
Penalties and interest	200	2,404	2,204
Surface water fees	55,000	44,175	(10,825)
Tap connection and inspection	72,300	10,545	(61,755)
Investment earnings	500	204	(296)
Total Revenues	<u>438,800</u>	<u>343,917</u>	<u>(94,883)</u>
Expenditures			
Current service operations			
Purchased services	70,000	44,085	25,915
Professional fees	98,000	80,698	17,302
Contracted services	90,500	61,204	29,296
Repairs and maintenance	72,100	74,749	(2,649)
Utilities	1,800	806	994
Regional Water Authority fees	55,000	40,410	14,590
Administrative	26,575	17,002	9,573
Other	5,200	725	4,475
Total Expenditures	<u>419,175</u>	<u>319,679</u>	<u>99,496</u>
Revenues Over Expenditures	19,625	24,238	4,613
Fund Balance			
Beginning of the year	<u>192,068</u>	<u>192,068</u>	
End of the year	<u>\$ 211,693</u>	<u>\$ 216,306</u>	<u>\$ 4,613</u>

Fort Bend County Municipal Utility District No. 192
Notes to Required Supplementary Information
February 28, 2019

Budgets and Budgetary Accounting

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

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Texas Supplementary Information

Fort Bend County Municipal Utility District No. 192

TSI-1. Services and Rates

February 28, 2019

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

- Retail Water Wholesale Water Solid Waste/Garbage Drainage
 Retail Wastewater Wholesale Wastewater Flood Control Irrigation
 Parks/Recreation Fire Protection Roads Security
 Participates in joint venture, regional system and/or wastewater service (other than emergency interconn)
 Other (Specify): _____

2. Retail Service Providers

(You may omit this information if your district does not provide retail services)

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:	\$ 20.00	- 0 -	N	\$ 1.05	0	to 10,000
				1.50	10,001	to 20,000
				2.00	20,001	to 30,000
				2.50	30,001	to 45,000
				3.00	45,001	to _____
Wastewater:	\$ 19.00	- 0 -	Y	\$ -	0	to no limit
Surface water:	\$ -	- 0 -	N	\$ 2.51	0	to no limit

District employs winter averaging for wastewater usage Yes No

Total charges per 10,000 gallons usage: Water \$ 55.60 Wastewater \$ 19.00

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"	106	105	x 1.0	105
1"			x 2.5	
1.5"	1	1	x 5.0	5
2"	6	6	x 8.0	48
3"			x 15.0	
4"			x 25.0	
6"			x 50.0	
8"			x 80.0	
10"			x 115.0	
Total Water	113	112		158
Total Wastewater	104	103	x 1.0	103

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 192
TSI-1. Services and Rates
February 28, 2019

3. Total Water Consumption during the fiscal year (rounded to the nearest thousand):
 (You may omit this information if your district does not provide water)

Gallons purchased into system: 18,612,200 * Water Accountability Ratio:
 (Gallons billed / Gallons pumped)
 Gallons billed to customers: 18,612,200 100.00%

4. Standby Fees (authorized only under TWC Section 49.231):
 (You may omit this information if your district does not levy standby fees)

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 (required for first audit year or when information changes,
 otherwise this information may be omitted):

Is the District located entirely within one county? Yes No

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

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

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

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

Entirely Partly Not at all

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

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

If Yes, by whom? _____

*Purchased from City of Sugar Land

See accompanying auditors' report.

*Fort Bend County Municipal Utility District No. 192
TSI-2 General Fund Expenditures
For the Year Ended February 28, 2019*

Purchased services		<u>\$ 44,085</u>
Professional fees		
Legal		56,014
Audit		7,500
Engineering		<u>17,184</u>
		<u>80,698</u>
Contracted services		
Bookkeeping		8,250
Operator		3,145
Garbage collection		13,854
Tap connection and inspection		10,393
Fire protection		<u>25,562</u>
		<u>61,204</u>
Repairs and maintenance		<u>74,749</u>
Utilities		<u>806</u>
Regional Water Authority fees		<u>40,410</u>
Administrative		
Directors fees		3,900
Printing and office supplies		6,790
Insurance		5,272
Other		<u>1,040</u>
		<u>17,002</u>
Other		<u>725</u>
Total expenditures		<u><u>\$ 319,679</u></u>

Reporting of Utility Services in Accordance with HB 3693:

	<u>Usage</u>	<u>Cost</u>
Electrical	5,013 kWh	\$ 806
Water	N/A	N/A
Natural Gas	N/A	N/A

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 192
TSI-4. Taxes Levied and Receivable
February 28, 2019

	Maintenance Taxes	W-S-D Debt Service Taxes	Road Debt Service Taxes	Totals
Taxes Receivable, Beginning of Year	\$ 1,108	\$ -	\$ 698	\$ 1,806
2018 Original Tax Levy	196,352	108,510	82,674	387,536
Adjustments	(3,245)	(1,793)	(1,366)	(6,404)
Adjusted Tax Levy	193,107	106,717	81,308	381,132
Total to be accounted for	194,215	106,717	82,006	382,938
Tax collections:				
Current year	192,597	106,435	81,094	380,126
Prior years	1,108		698	1,806
Total Collections	193,705	106,435	81,792	381,932
Taxes Receivable, End of Year	\$ 510	\$ 282	\$ 214	\$ 1,006
Taxes Receivable, By Years				
2018	\$ 510	\$ 282	\$ 214	\$ 1,006
	2018	2017	2016	2015
Property Valuations:				
Land	\$ 5,198,460	\$ 4,871,050	\$ 4,628,740	\$ 4,219,170
Improvements	20,258,890	11,541,700	6,468,440	11,510
Personal Property	83,620	98,330	94,560	
Exemptions	(132,180)	(33,318)	(3,600)	(3,600)
Total Property Valuations	\$ 25,408,790	\$ 16,477,762	\$ 11,188,140	\$ 4,227,080
Tax Rates per \$100 Valuation:				
Maintenance tax rates	\$ 0.76	\$ 0.92	\$ 1.50	\$ 1.50
W-S-D debt service tax rates	0.42			
Road debt service tax rates	0.32	0.58		
Total Tax Rates per \$100 Valuation	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50
Adjusted Tax Levy:	\$ 381,132	\$ 247,166	\$ 167,822	\$ 63,406
Percentage of Taxes Collected to Taxes Levied ***	99.74%	100.00%	100.00%	100.00%

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

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

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

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 192
TSI-5. Long-Term Debt Service Requirements
Series 2017 Road--by Years
February 28, 2019

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2020	\$ 35,000	\$ 50,800	\$ 85,800
2021	35,000	49,750	84,750
2022	40,000	48,625	88,625
2023	40,000	47,425	87,425
2024	40,000	46,225	86,225
2025	45,000	44,950	89,950
2026	45,000	43,600	88,600
2027	50,000	42,175	92,175
2028	50,000	40,675	90,675
2029	50,000	39,175	89,175
2030	55,000	37,531	92,531
2031	55,000	35,744	90,744
2032	60,000	33,838	93,838
2033	60,000	31,813	91,813
2034	65,000	29,663	94,663
2035	70,000	27,300	97,300
2036	70,000	24,850	94,850
2037	75,000	22,313	97,313
2038	80,000	19,400	99,400
2039	80,000	16,200	96,200
2040	85,000	12,900	97,900
2041	90,000	9,400	99,400
2042	95,000	5,700	100,700
2043	95,000	1,900	96,900
	<u>\$ 1,465,000</u>	<u>\$ 761,950</u>	<u>\$ 2,226,950</u>

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 192
TSI-5. Long-Term Debt Service Requirements
Series 2018--by Years
February 28, 2019

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2020	\$ -	\$ 86,062	\$ 86,062
2021	55,000	85,237	140,237
2022	60,000	83,512	143,512
2023	60,000	81,712	141,712
2024	65,000	79,797	144,797
2025	65,000	77,684	142,684
2026	70,000	75,363	145,363
2027	70,000	72,869	142,869
2028	75,000	70,194	145,194
2029	75,000	67,381	142,381
2030	80,000	64,375	144,375
2031	80,000	61,175	141,175
2032	85,000	57,875	142,875
2033	85,000	54,475	139,475
2034	90,000	50,975	140,975
2035	90,000	47,375	137,375
2036	95,000	43,675	138,675
2037	95,000	39,875	134,875
2038	100,000	35,850	135,850
2039	100,000	31,600	131,600
2040	105,000	27,113	132,113
2041	105,000	22,388	127,388
2042	110,000	17,550	127,550
2043	115,000	12,488	127,488
2044	220,000	4,950	224,950
	<u>\$ 2,150,000</u>	<u>\$ 1,351,550</u>	<u>\$ 3,501,550</u>

See accompanying auditors' report.

*Fort Bend County Municipal Utility District No. 192
 TSI-5. Long-Term Debt Service Requirements
 All Bonded Debt Series--by Years
 February 28, 2019*

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2020	\$ 35,000	\$ 136,862	\$ 171,862
2021	90,000	134,987	224,987
2022	100,000	132,137	232,137
2023	100,000	129,137	229,137
2024	105,000	126,022	231,022
2025	110,000	122,634	232,634
2026	115,000	118,963	233,963
2027	120,000	115,044	235,044
2028	125,000	110,869	235,869
2029	125,000	106,556	231,556
2030	135,000	101,906	236,906
2031	135,000	96,919	231,919
2032	145,000	91,713	236,713
2033	145,000	86,288	231,288
2034	155,000	115,725	270,725
2035	160,000	112,537	272,537
2036	165,000	108,362	273,362
2037	170,000	104,025	274,025
2038	180,000	99,197	279,197
2039	180,000	93,884	273,884
2040	190,000	88,263	278,263
2041	195,000	82,269	277,269
2042	205,000	75,894	280,894
2043	210,000	69,281	279,281
2044	220,000	4,950	224,950
	<u>\$ 3,615,000</u>	<u>\$ 2,564,422</u>	<u>\$ 6,179,422</u>

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 192
TSI-6. Change in Long-Term Bonded Debt
February 28, 2019

	Bond Issue		Totals
	Road	Series 2018	
Interest rate	3.0% - 4.0%	3.0% - 4.5%	
Dates interest payable	9/1; 3/1	9/1; 3/1	
Maturity dates	9/1/18 - 9/1/42	9/1/18 - 9/1/43	
Beginning bonds outstanding	\$ 1,500,000	\$ -	\$ 1,500,000
Bonds issued		2,150,000	2,150,000
Bonds retired	(35,000)		(35,000)
Ending bonds outstanding	<u>\$ 1,465,000</u>	<u>\$ 2,150,000</u>	<u>\$ 3,615,000</u>
Interest paid during fiscal year	<u>\$ 51,850</u>	<u>\$ 15,300</u>	<u>\$ 67,150</u>

Paying agent's name and city
All Series The Bank of New York Mellon Trust Company, N/A. Dallas Texas

	Water, Sewer and Drainage Bonds and Refunding	Recreational Facilities Bonds and Refunding	Road Facilities Bonds and Refunding
	Bond Authority:		
Amount Authorized by Voters	\$ 28,600,000	\$ 5,900,000	\$ 20,150,000
Amount Issued	(2,150,000)		(1,500,000)
Remaining To Be Issued	<u>\$ 26,450,000</u>	<u>\$ 5,900,000</u>	<u>\$ 18,650,000</u>

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

Debt Service Fund cash and investments balances as of February 28, 2019: \$ 341,088

Average annual debt service payment (principal and interest) for remaining term of all debt: \$ 247,177

See accompanying auditors' report.

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

	Amounts				
	2019	2018	2017	2016**	2015**
Revenues					
Water service	\$ 44,811	\$ 34,778	\$ 20,266	\$ 12,780	\$ 3,949
Sewer service	23,116	15,785	9,345	5,681	
Fire service	24,957	19,101	10,465	3,769	
Property taxes	193,705	157,487	161,873	68,258	2068
Penalties and interest	2,404	231	393	170	246
Surface water fees	44,175	39,326	30,668	25,015	1,892
Tap connection and inspection	10,545	56,630	20,485	54,645	
Investment earnings	204	181	70	26	8
Total Revenues	343,917	323,519	253,565	170,344	8,163
Expenditures					
Current service operations					
Purchased services	44,085	12,431			
Professional fees	80,698	72,442	38,382	56,963	75,599
Contracted services	61,204	49,863	35,163	55,350	10,024
Repairs and maintenance	74,749	58,899	45,343	10,397	
Utilities	806	696	633	410	255
Regional Water Authority fees	40,410	27,849	23,501	13,568	
Administrative	17,002	18,922	14,416	16,725	12,396
Other	725	5,125			
Intergovernmental					
Master District fees		15,219	16,099	8,838	
Total Expenditures	319,679	261,446	173,537	162,251	98,274
Revenues Over (Under) Expenditures	\$ 24,238	\$ 62,073	\$ 80,028	\$ 8,093	\$ (90,111)
Total Active Retail Water Connections	112	104	60	41	7
Total Active Retail Wastewater Connections	103	95	51	33	6

*Percentage is negligible

**Unaudited

See accompanying auditors' report.

Percent of Fund Total Revenues

2019	2018	2017	2016**	2015**
13%	10%	8%	8%	49%
7%	5%	4%	3%	
7%	6%	4%	2%	
56%	49%	64%	40%	25%
1%	*	*	*	3%
13%	12%	12%	15%	23%
3%	18%	8%	32%	
*	*	*	*	*
100%	100%	100%	100%	100%

13%	4%			
23%	22%	15%	33%	926%
18%	15%	14%	32%	123%
22%	18%	18%	6%	
*	*	*	*	3%
12%	9%	9%	8%	
5%	6%	6%	10%	152%
*	2%			
	5%	6%	5%	
93%	81%	68%	94%	1,204%
7%	19%	32%	6%	(1,104%)

Fort Bend County Municipal Utility District No. 192

TSI-7b. Comparative Schedule of Revenues and Expenditures - Debt Service Fund

For the Last Two Fiscal Years

	Amounts		Percent of Fund Total Revenues	
	2019	2018	2019	2018
Revenues				
Property taxes	\$ 188,227	\$ 94,873	100%	100%
Penalties and interest	164	155	*	*
Investment earnings	280	77	*	*
Total Revenues	<u>188,671</u>	<u>95,105</u>	<u>100%</u>	<u>100%</u>
Expenditures				
Tax collection services	10,599	10,533	6%	11%
Debt service				
Principal	35,000		19%	
Interest and fees	67,900	35,958	36%	38%
Total Expenditures	<u>113,499</u>	<u>46,491</u>	<u>61%</u>	<u>49%</u>
Revenues Over Expenditures	<u>\$ 75,172</u>	<u>\$ 48,614</u>	<u>39%</u>	<u>51%</u>

*Percentage is negligible

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 192
TSI-8. Board Members, Key Personnel and Consultants
For the Year Ended February 28, 2019

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): April 17, 2017

Limit on Fees of Office that a Director may receive during a fiscal year \$ 7,200

(Set by Board Resolution -- TWC Section 49.0600)

Names:	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid *	Expense Reimburse-ments	Title at Year End
Board Members				
Darrell Kainer	5/18 - 5/22	\$ 750	\$ -	President
Doyle Reynolds	5/16 - 5/20	900	175	Vice President
Lester Jones	5/16 - 5/20	1,050	205	Secretary
Barbara Brescian	5/18 - 5/22	300	21	Assistant Secretary
Matt Klein	5/16 - 5/20	750		Assistant Vice President
Marsha Edwards	5/14 - 5/18	150	18	Former Director
Consultants				
Allen Boone Humphries Robinson, LI	08/13	<u>Amounts Paid</u>		Attorney
<i>General legal fees</i>		\$ 56,386		
<i>Bond counsel</i>		75,600		
Si Environmental, LLC	03/14	38,405		Operator
F. Matuska, Inc.	08/13	10,151		Bookkeeper
Tax Tech, Inc.	05/14	9,700		Tax Collector
Fort Bend Central Appraisal District	Legislation	1,225		Property Valuation
Perdue, Brandon, Fielder, Collins, & Mott, LLP				Delinquent Tax Attorney
Jones & Carter, Inc.	08/13	62,897		Engineer
McGrath & Co., PLLC	08/13	17,500		Auditor
Masterson Advisors, LLC	08/18	47,127		Financial Advisor
Hilltop Securities Inc.	08/13	11,000		Former Financial Advisor

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