

OFFICIAL STATEMENT DATED NOVEMBER 12, 2025

IN THE OPINION OF BOND COUNSEL (HEREIN DEFINED), UNDER EXISTING LAW AND ASSUMING CONTINUING COMPLIANCE WITH COVENANTS IN THE BOND ORDER (HEREIN DEFINED), INTEREST ON THE BONDS WILL BE EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES AND IS NOT INCLUDED IN COMPUTING THE ALTERNATIVE MINIMUM TAXABLE INCOME OF INDIVIDUALS; HOWEVER, SUCH INTEREST IS TAKEN INTO ACCOUNT IN DETERMINING THE ANNUAL ADJUSTED FINANCIAL STATEMENT INCOME OF APPLICABLE CORPORATIONS FOR THE PURPOSE OF DETERMINING THE ALTERNATIVE MINIMUM TAX IMPOSED ON CORPORATIONS. SEE "TAX MATTERS" FOR A DISCUSSION OF THE OPINION OF BOND COUNSEL.

The Bonds have been designated "qualified tax-exempt obligations" for financial institutions. See "TAX MATTERS – Qualified Tax-Exempt Obligations."

NEW ISSUE – BOOK-ENTRY-ONLY

S&P Global Ratings (BAM Insured)..... "AA"
Moody's Investors Service, Inc. (Underlying) "Baa3"

\$2,710,000

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 9B

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

UNLIMITED TAX BONDS, SERIES 2025

Dated Date: December 1, 2025

Interest accrues from: Date of Delivery

Due: September 1, as shown on the inside cover

The \$2,710,000 Unlimited Tax Bonds, Series 2025 (the "Bonds") are obligations of Waller County Municipal Utility District No. 9B (the "District") and are not obligations of the State of Texas; Waller County, Texas (the "County"); the City of Houston, Texas (the "City"); or any other entity other than the District. Neither the full faith and credit nor the taxing power of the State of Texas; the County; the City; nor any entity other than the District is pledged to the payment of the principal of or interest on the Bonds.

Principal of the Bonds is payable upon presentation at the principal payment office of the paying agent/registrar, initially, Zions Bancorporation, National Association, Houston, Texas (the "Paying Agent/Registrar"). The Bonds are dated December 1, 2025 (the "Dated Date"), and will accrue interest from the initial date of delivery, which is expected to be on or about December 17, 2025 (the "Date of Delivery"), with interest payable March 1, 2026, and on each September 1 and March 1 thereafter (each an "Interest Payment Date") until the earlier of maturity or redemption. Interest on the Bonds will be payable by check dated as of the Interest Payment Date and mailed by the Paying Agent/Registrar to registered owners as shown on the records of the Paying Agent/Registrar at the close of business on the 15th calendar day of the month next preceding each Interest Payment Date. The Bonds are fully registered bonds in principal denominations of \$5,000 or any integral multiple thereof.

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/Registrar directly to DTC, which, in turn, will remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds as described herein. See "THE BONDS – Book-Entry-Only System."

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

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by **BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM")**.



The Bonds are the third series of unlimited tax bonds issued by the District for the purpose of acquiring or constructing waterworks, wastewater and drainage facilities to serve the District (the "Utility System"), and, when issued, will constitute valid and binding obligations of the District payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property within the District. The District has also previously issued three series of unlimited tax bonds for the purpose of constructing or acquiring a road system to serve the District (the "Road System"). See "THE BONDS – Source of Payment."

Investment in the Bonds is subject to certain investment considerations as described herein. Prospective purchasers should review this entire Official Statement, including particularly the section of this Official Statement entitled "INVESTMENT CONSIDERATIONS," before making an investment decision.

The Bonds are offered by the initial purchaser of the Bonds (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 Sanford Kuhl Hagan Kugle Parker Kahn LLP, Houston, Texas, Bond Counsel. Delivery of the Bonds in book-entry form through the facilities of DTC is expected on or about December 17, 2025.

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

\$2,710,000 Unlimited Tax Bonds, Series 2025

\$ 1,810,000 Serial Bonds

Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 932449 (b)	Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 932449 (b)
2027	\$ 60,000	6.000%	3.050%	FE6	****	****	****	****	****
2028	65,000	6.000%	3.050%	FF3	2039(c)	\$ 110,000	4.000%	4.100%	FS5
2029	65,000	6.000%	3.050%	FG1	2040(c)	115,000	4.000%	4.180%	FT3
2030	70,000	5.000%	3.050%	FH9	2041(c)	120,000	4.250%	4.270%	FU0
2031(c)	75,000	4.000%	3.300%	FJ5	2042(c)	125,000	4.250%	4.350%	FV8
2032(c)	80,000	4.000%	3.400%	FK2	2043(c)	135,000	4.375%	4.450%	FW6
2033(c)	80,000	4.000%	3.480%	FL0	2044(c)	140,000	4.375%	4.530%	FX4
2034(c)	85,000	4.000%	3.550%	FM8	2045(c)	145,000	4.375%	4.550%	FY2
2035(c)	90,000	4.000%	3.660%	FN6	2046(c)	155,000	4.500%	4.600%	FZ9
2036(c)	95,000	4.000%	3.780%	FP1					

\$900,000 Term Bonds

\$205,000 Term Bond Due September 1, 2038 (c)(d), Interest Rate: 4.000% (Price: \$100.00) (a), CUSIP No. 932449 FR7 (b)

\$330,000 Term Bond Due September 1, 2048 (c)(d), Interest Rate: 4.500% (Price: \$97.629) (a), CUSIP No. 932449 GB1 (b)

\$365,000 Term Bond Due September 1, 2050 (c)(d), Interest Rate: 4.500% (Price: \$96.380) (a), CUSIP No. 932449 GD7 (b)

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- (a) Information with respect to the initial reoffering yields of the Bonds is the responsibility of the Initial Purchaser. Initial reoffering yields represent the initial offering price, which may be changed for subsequent purchases. The initial yield indicated above represents the lower of the yields resulting when priced to maturity or to the first call date.
- (b) CUSIP numbers have been assigned to the Bonds by CUSIP Global Services, managed by FactSet Research Systems, Inc. on behalf of the American Bankers Association, and are included solely for the convenience of the owners of the Bonds.
- (c) Bonds maturing on September 1, 2031, and thereafter shall be subject to redemption and payment at the option of the District, in whole, or from time to time in part, on September 1, 2030, or on any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. See "THE BONDS—Redemption Provisions—*Optional Redemption*."
- (d) Subject to mandatory redemption by lot or other customary method of random selection on September 1 in the years and in the amounts set forth under "THE BONDS—Redemption Provisions—*Mandatory Redemption*."

USE OF INFORMATION IN OFFICIAL STATEMENT

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

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

All of the summaries of the statutes, orders, contracts, records, and engineering and other related reports set forth in this Official Statement are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents, copies of which are available from Sanford Kuhl Hagan Kugle Parker Kahn LLP, Houston, Texas, Bond Counsel, for further information.

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

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

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

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SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the Bonds, the District has accepted the bid resulting in the lowest net interest cost, which was tendered by Fidelity Capital Markets (the “Initial Purchaser”). The Initial Purchaser has agreed to purchase the Bonds, bearing the interest rates shown under “MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, AND INITIAL REOFFERING YIELDS” on the inside cover page of this Official Statement, at a price of 97.020253% of the principal amount thereof, which resulted in a net effective interest rate of 4.549653%, calculated pursuant to Chapter 1204, Texas Government Code, as amended.

No assurance can be given that any trading market will be developed for the Bonds after their sale by the District to the Initial Purchaser. The District has no control over the price at which the Bonds are subsequently sold, and the initial yields at which the Bonds are priced and reoffered are established by, and are the sole responsibility of, the Initial Purchaser.

Prices and Marketability

Subject to certain restrictions described in the Official Notice of Sale, the prices and other terms with respect to the offering and sale of the Bonds may be changed from time to time by the Initial Purchaser after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial 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 WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The District has no control over trading of the Bonds in the secondary market. Moreover, there is no guarantee that a secondary market will be made in the Bonds. In such a secondary market, the difference between the bid and asked price of 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 United States Securities and Exchange Commission (“SEC”) 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 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.

MUNICIPAL BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company (“BAM”) will issue a Municipal Bond Insurance Policy for the Bonds (the “Policy”). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

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

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as

defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

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

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

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

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of September 30, 2025 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$517.2 million, \$273.6 million, and \$243.6 million, respectively.

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

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

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

Additional Information Available from BAM

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

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

prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

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

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

RATINGS

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

Moody’s Investors Service, Inc. (“Moody’s”) has assigned an underlying credit rating of “Baa3” to the Bonds. An explanation of the ratings may be obtained from Moody’s, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007. Furthermore, a security rating is not a recommendation to buy, sell or hold securities. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by Moody’s, if in their judgment, circumstances so warrant. Any such revisions or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

The District is not aware of any rating assigned to the Bonds other than the ratings of S&P and Moody’s.

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OFFICIAL STATEMENT SUMMARY

The following material is qualified in its entirety by the more detailed information and financial statements appearing elsewhere in the Official Statement. The offering of the Bonds to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this summary from this Official Statement or to otherwise use it without the entire Official Statement.

THE BONDS

The District	Waller County Municipal Utility District No. 9B (the “District”), a political subdivision of the State of Texas, is located in Waller County, Texas (the “County”). See “THE DISTRICT – General” and “– Description.”
Description of the Bonds	The \$2,710,000 Unlimited Tax Bonds, Series 2025 (the “Bonds”) mature on September 1 in each of the years and principal amounts set forth on the inside cover of this Official Statement. The Bonds are dated December 1, 2025 (the “Dated Date”), and will accrue interest from the initial date of delivery, which is expected to be on or about December 17, 2025 (the “Date of Delivery”), with interest payable March 1, 2026, and on each September 1 and March 1 thereafter (each an “Interest Payment Date”) until the earlier of maturity or redemption. The Bonds are offered in fully registered form in integral multiples of \$5,000 for any one maturity. See “THE BONDS.”
Redemption Provisions	<p>The Bonds that mature on and after September 1, 2031, are subject to redemption prior to maturity at the option of the District, in whole or from time to time in part, on September 1, 2030, or on any date thereafter, at the principal amount thereof plus accrued interest thereon to the date fixed for redemption. See “THE BONDS—Redemption Provisions—<i>Optional Redemption</i>.”</p> <p>The Bonds maturing on September 1, 2027, through September 1, 2036, both inclusive, and September 1, 2039, through September 1, 2046, both inclusive, are serial bonds. The Bonds that mature on September 1 in the years 2038, 2048, and 2050 (the “Term Bonds”), are term bonds that are subject to mandatory sinking fund redemption provisions set out under “THE BONDS—Redemption Provisions—<i>Mandatory Redemption</i>.”</p>
Source of Payment.....	Principal and interest on the Bonds are payable from the proceeds of a continuing direct annual ad valorem tax levied upon all taxable property within the District without legal limitation as to rate or amount. The Bonds are obligations solely of the District, and are not obligations of the State of Texas; the County; the City of Houston, Texas (the “City”); or any entity other than the District. See “THE BONDS – Source of Payment.”
Payment Record	The District has never defaulted on the timely payment of debt service on its bonded indebtedness.
Outstanding Bonds	The Bonds are the third series of unlimited tax bonds for the purpose of constructing or acquiring waterworks, wastewater and drainage facilities to serve the District (the “Utility System”): \$3,395,000 Unlimited Tax Bonds, Series 2021 and \$3,180,000 Unlimited Tax Bonds, Series 2023 (the “Utility Bonds”). The District has previously issued three series of unlimited tax bonds for the purpose of constructing or acquiring a road system to serve

the District (the "Road System"): \$3,815,000 Unlimited Tax Road Bonds, Series 2021, \$4,575,000 Unlimited Tax Road Bonds, Series 2023 and \$2,565,000 Unlimited Tax Road Bonds, Series 2024 (the "Road Bonds"). Of such previously issued Utility Bonds and Road Bonds, \$16,470,000 principal amount will remain outstanding as of delivery of the Bonds (the "Outstanding Bonds"). See "THE BONDS – Outstanding Bonds" and "THE BONDS – Authority for Issuance."

Authority for Issuance Voters in the District have authorized a total of \$89,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Utility System to serve the District, and \$133,500,000 principal amount of unlimited tax bonds for the refunding of such bonds; \$53,000,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring the Road System to serve the District, and \$79,500,000 principal amount of unlimited tax bonds for the refunding of such bonds; and \$8,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing parks and recreational facilities, and \$12,000,000 principal amount of unlimited tax bonds for the refunding of such bonds.

After issuance of the Bonds, the following principal amounts of unlimited tax bonds will remain authorized but unissued: \$79,715,000 for the Utility System and \$133,500,000 principal amount of unlimited tax bonds for the refunding of such bonds; \$42,045,000 for the Road System and \$79,500,000 principal amount of unlimited tax bonds for the refunding of such bonds; and \$8,000,000 for the purpose of acquiring or constructing parks and recreational facilities and \$12,000,000 principal amount of unlimited tax bonds for the refunding of such bonds.

The Bonds are issued pursuant to (i) an order authorizing issuance of the Bonds adopted by the Board of Directors of the District on the date of the sale of the Bonds (the "Bond Order"); (ii) Article XVI, Section 59 of the Texas Constitution and general laws of the State of Texas, particularly Chapters 49 and 54, Texas Water Code, as amended; (iii) Chapter 8304, Special District Local Laws Code; (iv) an election held within the District on November 7, 2017; and an order issued by the Texas Commission on Environmental Quality (the "TCEQ"). See "THE BONDS – Authority for Issuance" and "– Issuance of Additional Debt."

Use of Proceeds Proceeds of the Bonds will be used to reimburse the Developer (hereinafter defined) for the costs set out herein under "USE AND DISTRIBUTION OF BOND PROCEEDS." Proceeds of the Bonds will also be used to pay developer interest, developer advances, six (6) months of capitalized interest, and other costs associated with the issuance of the Bonds.

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

Rating S&P Global Ratings (BAM Insured): "AA" and Moody's Investors Service, Inc. ("Moody's") underlying rating of "Baa3." See "RATINGS."

Qualified Tax-Exempt Obligations for Financial Institutions	The Bonds have been designated “qualified tax-exempt obligations” for financial institutions. See “TAX MATTERS – Qualified Tax-Exempt Obligations.”
General & Bond Counsel	Sanford Kuhl Hagan Kugle Parker Kahn LLP, Houston, Texas.
Disclosure Counsel	McCall, Parkhurst & Horton L.L.P., Houston, Texas.
Financial Advisor	Robert W. Baird & Co. Incorporated, Houston, Texas.
District Engineer	Pape-Dawson Engineers, Houston, Texas.

THE DISTRICT

The Issuer	Waller County Municipal Utility District No. 9 (the “Original District”) was created pursuant to Article XVI, Section 59 of the Constitution of the State of Texas, Chapters 49 and 54 of the Texas Water Code, and by Senate Bill No. 588, 81 st Texas Legislature, Regular Session, 2009, codified as Chapter 8304, Special District Local Laws Code (the “Act”). The Act granted the Original District the power of division and pursuant to an Order adopted by the Original District on August 20, 2017, the Original District was divided into Waller County Municipal Utility District No. 9A and the District. The District consists of approximately 281 acres of land. See “THE DISTRICT – General.”
Location.....	The District is located in the County within the extraterritorial jurisdiction (“ETJ”) of the City, approximately 7 miles northwest of downtown Katy. Access to the District is provided from FM 529/Freeman Road, FM 2855, Beckendorff Road, and Stockdick Road. The District is located entirely within the boundaries of the Royal Independent School District.
Developer.....	The Developer in the District is LGI Homes – Texas, LLC (herein the “Developer”), a special purpose entity created solely for the purpose of developing land in projects located in Texas. The Developer is a Texas limited liability company owned by LGI Homes – Group, LLC (“Homes Group”). Homes Group is a Texas limited liability company owned by LGI Homes, Inc. (“LGI Homes”). LGI Homes is a publicly traded Delaware corporation whose stock is traded on the NASDAQ under the trading symbol LGIH. The Developer is also the sole homebuilder in the District. See “DEVELOPER.”
Development within the District	Land within the District has been developed as the single-family subdivision of Freeman Ranch, Sections 1 – 5 (aggregating approximately 180.906 acres and 810 single-family lots). As of October 1, 2025, the District consisted of 737 completed homes, 6 homes under construction, 1 model home and 62 vacant developed lots. See “DEVELOPMENT WITHIN THE DISTRICT.”
Homebuilder.....	LGI Homes is the sole homebuilder in the District. Homes being constructed in the District range in price from approximately \$268,900 to \$361,900 and in size from approximately 1,218 to 2,174 square feet. See “DEVELOPMENT WITHIN THE DISTRICT - HOMEBUILDER” and “RISK FACTORS–Rental Homes.”

INVESTMENT CONSIDERATIONS

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

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**SELECTED FINANCIAL INFORMATION
(UNAUDITED)**

2025 Certified Taxable Assessed Valuation.....	\$ 189,937,449	(a)
Estimate of Value as of May 1, 2025.....	\$ 205,003,629	(b)
Direct Debt:		
The Outstanding Bonds (as of delivery of the Bonds)	\$ 16,470,000	
The Bonds.....	<u>2,710,000</u>	
Total	\$ 19,180,000	
Estimated Overlapping Debt	\$ <u>9,337,105</u>	(c)
Total Direct and Estimated Overlapping Debt.....	\$ <u>28,517,105</u>	(c)
Direct Debt Ratios:		
As a percentage of 2025 Certified Taxable Assessed Valuation.....	10.10 %	
As a percentage of the May 1, 2025 Estimate of Value.....	9.36 %	
Direct and Estimated Overlapping Debt Ratios:		
As a percentage of 2025 Certified Taxable Assessed Valuation.....	15.01 %	
As a percentage of the May 1, 2025 Estimate of Value.....	13.91 %	
General Operating Fund (as of September 5, 2025)	\$ 618,699	
Utility Debt Service Fund (as of September 5, 2025)	\$ 112,677	(d)
Road Debt Service Fund (as of September 5, 2025)	\$ 409,613	(e)
2025 District Tax Rate per \$100 of Assessed Valuation:		
Utility Debt Service	\$0.2725	
Road Debt Service.....	0.3400	
Maintenance & Operations.....	<u>0.1275</u>	
Total	<u>\$0.7400</u>	(f)
Average Annual Debt Service Requirement (2026–2050)	\$ 1,163,224	(g)
Maximum Annual Debt Service Requirement (2046).....	\$ 1,303,131	(g)
Debt Service Tax Rate per \$100 of Assessed Valuation Required to Pay the		
Average Annual Debt Service Requirement (2026–2050) at 95% Tax Collections		
Based Upon 2025 Certified Taxable Assessed Valuation	\$0.65	
Based Upon the May 1, 2025 Estimate of Value.....	\$0.60	
Debt Service Tax Rate per \$100 of Assessed Valuation Required to Pay the		
Maximum Annual Debt Service Requirement (2046) at 95% Tax Collections		
Based Upon 2025 Certified Taxable Assessed Valuation	\$0.73	
Based Upon the May 1, 2025 Estimate of Value.....	\$0.67	
Number of Single-Family Homes (including 6 homes in various		
stages of construction and 1 model home) as of October 1, 2025.....	744	

- (a) As certified by the Waller County Appraisal District (the "Appraisal District"). All property located in the District is valued on the tax rolls by the Appraisal District at 100% of estimated market value as of January 1 of each year.
- (b) Provided by the Appraisal District for informational purposes only. This amount is an estimate of the taxable value of all taxable property located within the District as of May 1, 2025, and includes an estimate of additional taxable value resulting from construction of taxable improvements from January 1, 2025, through May 1, 2025. No taxes will be levied on this estimated value. See "TAX DATA" and "TAXING PROCEDURES."
- (c) See "DISTRICT DEBT - Direct and Estimated Overlapping Debt Statement."
- (d) Includes an estimate of six (6) months of capitalized interest to be deposited into the Utility Debt Service Fund upon closing of the Bonds. Neither Texas law nor the Bond Order requires that the District maintain any particular sum in the Utility Debt Service Fund. The funds in the Utility Debt Service Fund are pledged only to pay the debt service on the Outstanding Bonds (defined herein) issued for the Utility System and any additional bonds issued by the District for the Utility System, and are not pledged to pay debt service on bonds issued for the Road System.
- (e) Neither Texas law nor the Bond Order requires that the District maintain any particular sum in the Road Debt Service Fund. The funds in the Road Debt Service Fund are pledged only to pay the debt service on the Outstanding Bonds issued for the Road System, and any additional bonds issued by the District for the Road System, and are not pledged to pay debt service on bonds issued for the Utility System, including the Bonds.
- (f) The District levied a 2025 tax rate in the total amount of \$0.74 per \$100 of assessed valuation.
- (g) Requirement for debt service on the Bonds and the Outstanding Bonds. See "DISTRICT DEBT – Debt Service Requirements."

Official Statement
relating to
\$2,710,000
WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 9B
(A Political Subdivision of the State of Texas Located in Waller County, Texas)
Unlimited Tax Bonds, Series 2025

INTRODUCTION

This Official Statement provides certain information with respect to the issuance by Waller County Municipal Utility District No. 9B (the “District”) of its \$2,710,000 Unlimited Tax Bonds, Series 2025 (the “Bonds”).

The Bonds are issued pursuant to Article XVI, Section 59 of the Texas Constitution; the general laws of the State of Texas, including Chapters 49 and 54, Texas Water Code, as amended; Chapter 8304, Special District Local Laws Code; an order authorizing issuance of the Bonds (the “Bond Order”) adopted by the Board of Directors of the District (the “Board”) on the date of the sale of the Bonds; an election held within the boundaries of the District on November 7, 2017; and an order issued by the Texas Commission on Environmental Quality (the “TCEQ”).

Unless otherwise indicated, capitalized terms used in this Official Statement have the same meaning assigned to such terms in the Bond Order.

Included in this Official Statement are descriptions of the Bonds and certain information about the District, the Developer (as defined herein), and the District’s finances. ALL DESCRIPTIONS OF DOCUMENTS CONTAINED HEREIN ARE SUMMARIES ONLY AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO EACH SUCH DOCUMENT. Copies of such documents may be obtained from the District at Sanford Kuhl Hagan Kugle Parker Kahn LLP, 1330 Post Oak Boulevard, Suite 2650, Houston, Texas 77056 or during the offering period from the District’s Financial Advisor, Robert W. Baird & Co. Incorporated, Attn: Adam Cohen, 4801 Woodway Drive, Suite 118-E, Houston, Texas 77056 upon payment of reasonable copying, mailing, and handling charges.

THE BONDS

General

The Bonds are dated December 1, 2025 (the “Dated Date”), and will accrue interest from the initial date of delivery, which is expected to be on or about December 17, 2025 (the “Date of Delivery”), with interest payable March 1, 2026, and on each September 1 and March 1 thereafter (each an “Interest Payment Date”) until the earlier of maturity or redemption. The Bonds are fully registered bonds maturing on September 1 of the years shown on the inside cover of this Official Statement. Principal of the Bonds will be payable to the Registered Owners (herein defined) at maturity or redemption upon presentation at the principal payment office of the paying agent/registrar, initially, Zions Bancorporation, National Association, Houston, Texas (the “Paying Agent/Registrar”). Interest on the Bonds will be payable by check, dated as of the Interest Payment Date, and mailed by the Paying Agent/Registrar to Registered Owners as shown on the records of the Paying Agent/Registrar at the close of business on the 15th calendar day of the month next preceding the Interest Payment Date (the “Record Date”) or by such other customary banking arrangements as may be agreed upon by the Paying Agent/Registrar and a Registered Owner at the risk and expense of such Registered Owner.

Book-Entry-Only System

This section describes how ownership of the Bonds is to be transferred and how the principal of and interest on the Bonds are to be paid to and credited by DTC, New York, New York, while the Bonds are registered in its nominee’s name. The information in this section concerning DTC and its “Book-Entry- Only System” has been provided by DTC for use in disclosure documents such as this Official Statement. The District believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

The District cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants (hereinafter defined), (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners (hereinafter defined), or that they will do so on a timely

basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission ("SEC"), and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("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", together with the Direct Participant(s), the "Participants"). DTC has a rating of AA+ from S&P Global Ratings. The DTC Rules applicable to its Direct and Indirect Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The holder of ownership interest of each actual purchase of each Bond ("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 does not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

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

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 Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct or Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct or Indirect 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 of redemption proceeds, principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or 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 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 the section concerning DTC and DTC's Book-Entry-Only System has been obtained from sources that District believes to be reliable, but District takes no responsibility for the accuracy thereof.

Use of Certain Terms in Other Sections of this Official Statement

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

Successor Paying Agent/Registrar

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

Redemption Provisions

Optional Redemption

The Bonds maturing on and after September 1, 2031, are subject to redemption prior to maturity at the option of the District, in whole or from time to time in part, on September 1, 2030, and on any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest from the most recent payment date to the date fixed for redemption.

The Paying Agent/Registrar shall give written notice of redemption, by registered mail, overnight delivery, or other comparably secure means, not less than thirty (30) days prior to the redemption date, to each registered securities depository (and to each national information service that disseminates redemption notices) known to the Paying Agent/Registrar, but neither the failure to give such notice nor any defect therein shall affect the

sufficiency of notice given to the registered owner as hereinabove stated. The Paying Agent/Registrar may provide written notice of redemption to DTC by facsimile.

The Bonds of a denomination larger than \$5,000 may be redeemed in part (\$5,000 or any multiple thereof). Any Bond to be partially redeemed must be surrendered in exchange for one or more new Bonds of the same maturity for the unredeemed portion of the principal of the Bonds so surrendered. In the event of redemption of less than all of the Bonds, the particular Bonds to be redeemed shall be selected by the District; if less than all of the Bonds of a particular maturity are to be redeemed; the Paying Agent/Registrar is required to select the Bonds of such maturity to be redeemed by lot.

Mandatory Redemption

The Bonds maturing on September 1, in the years, 2038, 2048 and 2050 (the "Term Bonds"), shall be redeemed, at a price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption on September 1 in each of the years, and in the principal amount set forth in the following schedule (with each such scheduled 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" above):

\$205,000 Term Bond Maturing on September 1, 2038

<u>Mandatory Redemption Date</u>	<u>Principal Amount</u>
September 1, 2037	\$ 100,000
September 1, 2038 (Maturity)	\$ 105,000

\$330,000 Term Bond Maturing on September 1, 2048

<u>Mandatory Redemption Date</u>	<u>Principal Amount</u>
September 1, 2047	\$ 160,000
September 1, 2048 (Maturity)	\$ 170,000

\$365,000 Term Bond Maturing on September 1, 2050

<u>Mandatory Redemption Date</u>	<u>Principal Amount</u>
September 1, 2049	\$ 180,000
September 1, 2050 (Maturity)	\$ 185,000

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

Registration, Transfer and Exchange

In the event the Book-Entry-Only System should be discontinued, the Bonds may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender thereof to the Paying Agent/Registrar or its corporate trust office and such transfer or exchange shall be without expenses or service charge to the Registered Owner, except for any tax, other governmental charges, or other expenses required to be paid with respect to such registration, exchange and transfer. A Bond may be assigned by the execution of an assignment form on the Bond or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. A new Bond or Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bonds being transferred or exchanged, at the principal payment office of the Paying Agent/Registrar, or sent by the United States mail, first class, postage prepaid, to the new Registered Owner or his designee. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the Registered Owner or assignee of the Registered Owner in not more than three business days after the receipt of the Bonds to be cancelled, and the written instrument of transfer or request for exchange duly executed by the Registered Owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Bonds registered

and delivered in an exchange or transfer shall be in any integral multiple of \$5,000 of principal amount for any one maturity and for a like aggregate principal amount as the Bond or Bonds surrendered for exchange or transfer.

Neither the Paying Agent/Registrar nor the District is required to issue, transfer, or exchange any Bond during a period beginning at the opening of business on a Record Date and ending at the close of business on the next succeeding Interest Payment Date or to transfer or exchange any Bond selected for redemption, in whole or in part, beginning fifteen (15) calendar days prior to, and ending on the date of the mailing of notice of redemption, or where such redemption is scheduled to occur within thirty (30) calendar days. No service charge will be made for any transfer or exchange, but the District or the Paying Agent/Registrar may require payment of a sum sufficient to cover any tax or governmental charge payable in connection therewith. See "THE BONDS – Book-Entry-Only System" for a description of the system to be utilized initially in regard to ownership and transferability of the Bonds.

Funds

The Bond Order confirms a fund for debt service on the Bonds issued for the Utility System and any additional unlimited tax bonds issued by the District for the Utility System (the "Utility Debt Service Fund"). Six (6) months of capitalized interest on the Bonds will be deposited from the proceeds from sale of the Bonds into the Utility Debt Service Fund. The Utility Debt Service Fund, which constitutes a trust fund for the benefit of the owners of the Bonds for the Utility System, the Outstanding Bonds issued for the Utility System, and any additional unlimited tax bonds issued by the District for the Utility System, is to be kept separate from all other funds of the District, and is to be used for payment of debt service on the Bonds, the Outstanding Bonds issued for the Utility System, and any of the District's other duly authorized bonds issued for the Utility System payable in whole or in part from taxes. Amounts on deposit in the Utility Debt Service Fund may also be used to pay the fees and expenses of the Paying Agent/Registrar, to defray the expenses of assessing and collecting taxes levied for payment of interest on and principal of the Bonds and any additional bonds for the Utility System payable in whole or in part from taxes, and to pay any tax anticipation notes issued, together with interest thereon, as such tax anticipation notes become due.

In connection with the Road Bonds (defined herein), the District has established a fund for payment of debt service on the Road Bonds and any additional unlimited tax bonds that the District may hereafter issue for the Road System (the "Road Debt Service Fund"). The Road Debt Service Fund, which constitutes a trust fund for the benefit of the owners of the Road Bonds and any additional unlimited tax bonds issued by the District for the Road System, is to be kept separate from all other funds of the District and is to be used for payment of debt service on the Road Bonds and any of the District's other duly authorized bonds issued for the Road System that are payable in whole or in part from taxes. Amounts on deposit in the Road Debt Service Fund may also be used to pay the fees and expenses of the Paying Agent/Registrar, to defray the expenses of assessing and collecting taxes levied for payment of interest on and principal of the Road Bonds and any additional bonds for the Road System payable in whole or in part from taxes, and to pay any tax anticipation notes issued, together with interest thereon, as such tax anticipation notes become due. Amounts on deposit in the Road Debt Service Fund may not be used to pay debt service on the Bonds, the Utility Bonds or any other bonds that the District may hereafter issue for the Utility System.

Record Date for Interest Payment

Interest on the Bonds will be paid to the Registered Owner appearing on the registration and transfer books of the Paying Agent/Registrar at the close of business on the "Record Date" (the fifteenth calendar day of the month next preceding each Interest Payment Date) and shall be paid by the Paying Agent/Registrar (i) by check sent United States mail, first class postage prepaid, to the address of the Registered Owner recorded in the registration and transfer books of the Paying Agent/Registrar or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner. If the date for the payment of the principal or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the principal payment office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

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

Mutilated, Lost, Stolen or Destroyed Bonds

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

Source of Payment

While the Bonds or any part of the principal thereof or interest thereon remain outstanding and unpaid, the District covenants to levy and annually assess and collect in due time, form and manner, and at the same time as other District taxes are assessed, levied and collected, in each year, beginning with the current year, 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 interest on the Bonds as the same becomes due and to pay each installment of the principal of the Bonds as the same matures, with full allowance being made for delinquencies and cost of collection. In the Bond Order, the District covenants that said taxes are irrevocably pledged to the payment of the interest and principal of the Bonds and any parity bonds hereinafter issued.

Bonds issued for the Utility System and for the Road System are each supported by the proceeds of a separate unlimited tax levied annually by the District. Amounts on deposit in the Utility Debt Service Fund may not be used to pay debt service on bonds issued by the District for the Road System. Amounts on deposit in the Road Debt Service Fund may not be used to pay debt service on the Bonds or any bonds issued by the District for the Utility System.

The Bonds are obligations of the District and are not the obligations of the State of Texas; Waller County, Texas (the "County"); the City of Houston, Texas (the "City"); or any other political subdivision or any entity other than the District.

Outstanding Bonds

The Bonds are the third series of unlimited tax bonds for the purpose of constructing or acquiring waterworks, wastewater and drainage facilities to serve the District (the "Utility System"): \$3,395,000 Unlimited Tax Bonds, Series 2021 and \$3,180,000 Unlimited Tax Bonds, Series 2023 (the "Utility Bonds"). The District has previously issued three series of unlimited tax bonds issued by the District for the purpose of constructing or acquiring a road system to serve the District (the "Road System"). \$3,815,000 Unlimited Tax Road Bonds, Series 2021, \$4,575,000 Unlimited Tax Road Bonds, Series 2023 and \$2,565,000 Unlimited Tax Road Bonds, Series 2024 (the "Road Bonds"). Of such previously issued Utility Bonds and Road Bonds, \$16,470,000 principal amount will remain outstanding as of delivery of the Bonds (the "Outstanding Bonds").

Authority for Issuance

Voters in the District have authorized a total of \$89,000,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring the Utility System to serve the District, and \$133,500,000 principal amount of unlimited tax bonds for the refunding of such bonds; \$53,000,000 principal amount of unlimited tax bonds for the purpose of constructing the Road System to serve the District, and \$79,500,000 principal amount of unlimited tax bonds for the refunding of such bonds; \$8,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing parks and recreational facilities within the District; and \$12,000,000 principal amount of unlimited tax bonds for the refunding of such bonds. The District also has the right to issue certain other additional bonds, special projects bonds, and other obligations, as described

in the Bond Order, and such additional bonds as may hereafter be authorized by the Board and voters of the District.

The Bonds are issued pursuant to the Bond Order; an election held within the boundaries of the District on November 7, 2017; an order issued by the TCEQ; Article XVI, Section 59 of the Texas Constitution; the general laws of the State of Texas, including Chapters 49 and 54, Texas Water Code, as amended; and Chapter 8304, Special District Local Laws Code.

Issuance of Additional Debt

Following the issuance of the Bonds, the following principal amounts of unlimited tax bonds will remain authorized but unissued: \$79,715,000 principal amount of unlimited tax bonds for the Utility System, \$42,045,000 principal amount of unlimited tax bonds for the Road System, \$8,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing parks and recreational facilities and all of the unlimited tax bonds authorized for refunding such bonds, and such additional bonds as may hereafter be authorized by the Board and voters of the District.

Following the reimbursement with the proceeds of the Bonds, the District will owe the Developer approximately \$6,698,953.16 in reimbursables for District projects, the funds for which were advanced by the Developer.

Based on present engineering cost estimates and on development plans supplied by the Developer, in the opinion of the District's consulting engineer, Pape-Dawson Engineers Inc. (the "Engineer"), following the issuance of the Bonds, the District will have adequate authorized but unissued bonds to repay the Developer the remaining amounts owed for the existing utility and road facilities, and to finance the extension of the Utility System and Road System to serve the remaining undeveloped land and roads within the District. See "DEVELOPMENT WITHIN THE DISTRICT," "THE SYSTEM," and "INVESTMENT CONSIDERATIONS – Future Debt."

No Arbitrage

The District will certify, on the date of delivery of the Bonds, that based upon all facts and estimates now known or reasonably expected to be in existence on the date the Bonds are delivered and paid for, the 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 that it shall make such use of the proceeds of the Bonds, regulate investment of proceeds of the Bonds and take such other and further actions and follow such procedures, including, without limitation, calculating the yield on the Bonds, as may be required so that the Bonds shall not become "arbitrage bonds" under the Code and the regulations prescribed from time to time thereunder.

Annexation

The District lies within the extraterritorial jurisdiction of the City. Under Texas law, property within the extraterritorial jurisdiction of the City may be annexed by the City without the consent of the District, subject to the observance of and compliance by the City with various requirements of Chapter 43, Texas Local Government Code, as amended. This includes the requirement that the City either have landowner consent or hold an election within the District to approve the annexation. If annexation by the City does occur, the District would be abolished within ninety (90) days after annexation. When the District is abolished, the City must assume the assets, functions and obligations of the District including the Bonds. No representation is made concerning the likelihood of annexation or the ability of the City to make debt service payments should annexation occur.

Consolidation

Under Texas law, the District may be consolidated with other municipal utility districts, with the assets and liabilities of the consolidated districts belonging to the consolidated district. No representation is made that the District will ever consolidate with one or more other districts, although no consolidation is presently contemplated by the District.

Remedies in the Event of Default

If the District defaults in the payment of principal, interest, or redemption price on the Bonds when due, or if it fails to make payments into any fund or funds created in the Bond Order, or defaults in the observance or performance of any other covenants, conditions, or obligations set forth in the Bond Order, the Registered Owners have the 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 Order. Except for mandamus, the Bond Order does not specifically provide for remedies to protect and enforce the interests of the Registered Owners. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Further, there is no trust indenture or trustee, and all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the Registered Owners. Statutory language authorizing local governments such as the District to sue and be sued does not waive the local government's sovereign immunity from suits for money damages, so that in the absence of other waivers of such immunity by the Texas Legislature, a default by the District in its covenants in the Bond Order may not be reduced to a judgment for money damages. If such a judgment against the District were obtained, it could not be enforced by direct levy and execution against the District's property. Further, the Registered Owners cannot themselves foreclose on property within the District or sell property within the District to enforce the tax lien on taxable property to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the Registered Owners may further be limited by 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.

Defeasance

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

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

banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

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

Legal Investment and Eligibility to Secure Public Funds in Texas

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

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

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

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

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

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USE AND DISTRIBUTION OF BOND PROCEEDS

Proceeds of the Bonds will be used to reimburse the Developer for the costs set out below. Proceeds of the Bonds will also be used to pay developer interest, developer advances, six (6) months of capitalized interest, and other costs associated with the issuance of the Bonds.

Non-construction costs are based upon either contract amounts, or estimates of various costs by the Engineer and the Financial Advisor (each hereinafter defined). The actual amounts to be reimbursed by the District and the non-construction costs will be finalized after the sale of the Bonds and completion of agreed-upon procedures by the District's auditor.

A. CONSTRUCTION COSTS

A. Freeman Ranch Section 3 Water, Sewer, and Drainage Facilities...	\$ 951,853
B. Freeman Ranch Detention Basin Phase 2B.....	-
C. Freeman Ranch SWPPP.....	3,710
D. Freeman Ranch Materials Testing.....	131,644
E. Special Engineering Report.....	4,850
F. Land Acquisition – Detention.....	737,946
TOTAL CONSTRUCTION COSTS:	\$ 1,830,003

B. NON-CONSTRUCTION COSTS

A. Legal Fees.....	\$ 67,750
B. Fiscal Advisor Fees.....	54,200
C. Capitalized Interest(a).....	59,669
D. Developer Interest.....	465,052
E. Bond Discount(a)	80,751
F. Bond Issuance Expenses.....	53,460
G. Developer Advance.....	31,000
H. Bond Application Report.....	50,000
I. Attorney General Fee.....	2,710
J. TCEQ Bond Issuance Fee.....	6,775
K. Contingency(a).....	8,630
TOTAL NON-CONSTRUCTION COSTS:	\$ 879,997

TOTAL BOND ISSUE REQUIREMENT: \$ 2,710,000

(a) Contingency represents the difference in the estimated and actual amount of capitalized interest and bond discount

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

In the instance that approved estimated amounts exceed the actual costs, the difference comprises a surplus which may be expended for approved uses. However, the District cannot and does not guarantee the sufficiency of such funds for such purposes.

INVESTMENT CONSIDERATIONS

General

The Bonds, which are obligations of the District and are not obligations of the State; the County; the City; or any other political subdivision, will be secured by a continuing direct annual ad valorem property tax, without legal limitation as to rate or amount, on all taxable property located within the District. See "THE BONDS - Source of Payment." The ultimate security for payment of principal of and interest on the Bonds depends on the ability of the District to collect from the property owners within the District all taxes levied against the property, or in the event of foreclosure, on the value of the taxable property with respect to taxes levied by the District and by other taxing authorities. The collection by the District of delinquent taxes owed to it and the enforcement by the registered owners of the District's obligation to collect sufficient taxes may be a costly and lengthy process. Furthermore, the District cannot and does not make any representations that continued development of property within the District will accumulate or maintain taxable values sufficient to justify continued payment by property owners or that there will be a market for the property. See "Registered Owners' Remedies" below.

Factors Affecting Taxable Values and Tax Payments

Economic Factors: The rate of development within the District is directly related to the vitality of the residential housing industry in the County and the City area. New residential housing construction can be significantly affected by factors such as general economic activity, interest rates, credit availability, energy costs, construction costs, the level of unemployment and consumer demand. Decreased levels of such construction activity would restrict the growth of property values in the District. The District cannot predict the pace or magnitude of any future development in the District. See "DEVELOPMENT WITHIN THE DISTRICT."

Principal Taxpayer Obligations to the District: The District's tax base is concentrated in a small number of taxpayers. As reflected in this Official Statement under the caption "TAX DATA - Principal Taxpayers," the District's top ten principal taxpayers as of January 1, 2025, owned property located in the District, with an aggregate assessed valuation of \$25,888,983 which comprised approximately 13.63% of the District's total assessed valuation. The Developer (hereinafter defined) represents \$13,525,352 or approximately 2.89% of such value. While the development of lots is currently ongoing, the District cannot represent that its tax base will in the future be (i) distributed among a significantly larger number of taxpayers, or (ii) less concentrated in property owned by a relatively small number of property owners, than it is currently. Failure by the Developer or one or more of the District's principal property owners to make full and timely payments of taxes due may have an adverse effect on the investment quality or security of the Bonds. If any one or more of the principal taxpayers did not pay taxes due, the District might need to levy additional taxes or use other debt service funds available to meet its debt service requirements.

The District can make no representation that the taxable property values in the District will increase in the future or will maintain a value sufficient to support the proposed District tax rate or to justify continued payment of taxes by property owners. The District levied a maintenance and operations tax of \$0.1275 per \$100 of assessed valuation for 2025.

Competition: The housing industry in the Houston metropolitan area is very competitive, and the District can give no assurance that the building programs which are planned by the Developer will be continued or completed. The competitive position of the Developer and any other developer or homebuilder(s) which might attempt future home building or development projects in the District, the sale of developed lots or in the construction and sale or rental of single-family residential units, are affected by most of the factors discussed in this section, and such competitive positions are directly related to tax revenues received by the District and the growth and maintenance of taxable values in the District.

Developer Under No Obligation to the District: The Developer has informed the District of its current plans to continue to develop land in the District for residential purposes. However, the Developer is not obligated to implement such plan on any particular schedule or at all. Thus, the furnishing of information related to the proposed development by the Developer should not be interpreted as such a commitment. The District makes no representation about the probability of development continuing in a timely manner or about the ability of the Developer, or any other subsequent landowners to whom a party may sell all or a portion of their holdings

within the District, to implement any plan of development. Furthermore, there is no restriction on the Developer's right to sell its land. The District can make no prediction as to the effects that current or future economic or governmental circumstances may have on any plans of the Developer. Failure to construct taxable improvements on developed lots and tracts and failure of the Developer to develop its land would restrict the rate of growth of taxable value in the District. The District is also dependent upon the Developer (see "TAX DATA – Principal Taxpayers") for the timely payment of ad valorem taxes, and the District cannot predict what the future financial condition of the Developer will be or what effect, if any, such conditions may have on its ability to pay taxes. See "DEVELOPER" and "DEVELOPMENT WITHIN THE DISTRICT."

Impact on District Tax Rates: Assuming no further development or construction of taxable improvements, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of property owners to pay their taxes. The 2025 Certified Taxable Assessed Valuation of property located within the District (see "TAX DATA") is \$189,937,449 and the Estimate of Value as of May 1, 2025 is \$205,003,629. After issuance of the Bonds, the maximum annual debt service requirement on the Bonds and the Outstanding Bonds will be \$1,303,131 (2046) and the average annual debt service requirements will be \$1,163,224 (2026–2050, inclusive). Assuming no increase to, nor decrease from, the 2025 Certified Taxable Assessed Valuation of \$189,937,449, tax rates of \$0.73 and \$0.65 per \$100 of assessed valuation at a 95% tax collection rate would be necessary to pay the maximum annual debt service requirement and the average annual debt service requirement, respectively. Assuming no increase to, nor decrease from, the Estimate of Value as of May 1, 2025 of \$205,003,629, tax rates of \$0.67 and \$0.60 per \$100 of assessed valuation at a 95% tax collection rate would be necessary to pay the maximum annual debt service requirement and the average annual debt service requirement, respectively.

Increase in Costs of Building Materials and Labor Shortages

As a result of low supply and high demand, shipping constraints, and ongoing trade disputes (including tariffs and retaliatory tariffs), there have been substantial increases in the cost of lumber and other materials, causing many homebuilders and general contractors to experience budget overruns. Further, the federal administration's unpredictable tariff policy (including the threatened impositions of tariffs) may impact the ability of the Developer or homebuilders in the District to estimate costs. The federal administration's immigration policies may additionally impact the State's workforce, particularly in construction. Mass deportations or immigration policies that make it challenging for foreign workers to work in the United States may result in labor shortages that impact the Developer's ability to construct utility and road facilities homebuilders' ability to construct homes within the District. Decreased levels of construction activity would tend to restrict the growth of property values in the District or could adversely impact existing values. The District makes no representations regarding the probability of development or homebuilding continuing in a timely manner or the effects that current or future economic or governmental circumstances may have on any plans of the Developer or homebuilders.

Vacant Developed Lots

As of October 1, 2025, approximately 62 vacant developed lots within the District remained available for construction. Failure of the Developer and/or builders to construct taxable improvements on developed lots could result in substantial increases in the rate of taxation by the District during the term of the Bonds to pay debt service on the Bonds and any other tax supported debt of the District issued in the future. Future increases in value will result primarily from the construction of homes by builders. The District makes no representation that the lot sales and building program will be successful.

Rental Homes

A portion of the homes constructed in Freeman Ranch, Sections 4 and 5 (74 lots) are rental properties which are owned by the Developer and its subsidiaries, LGI Living – Leasing, LLC ("LGI Living") and LGI Living – SFR1, LLC. It is anticipated that LGI Living will continue to be a principal taxpayer as long as it continues to own such rental homes. On the 2025 certified tax roll, LGI Living represents \$13,525,352 or 7.12% of the 2025 Certified Taxable Assessed Valuation of \$189,937,449. See "TAX DATA—Principal Taxpayers."

The Developer, LGI Living, and LGI Living – SFR1, LLC, are responsible for the payment of property taxes, maintenance of the homes and the landscape maintenance of the front yards, as the owners of such rental homes.

Future Debt

Voters in the District have authorized a total of \$89,000,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring the Utility System to serve the District, and \$133,500,000 principal amount of unlimited tax bonds for the refunding of such bonds; \$53,000,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring the Road System to serve the District, and \$79,500,000 principal amount of unlimited tax bonds for the refunding of such bonds; and \$8,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing parks and recreational facilities, and \$12,000,000 principal amount of unlimited tax bonds for the refunding of such bonds. After issuance of the Bonds, the following principal amounts of unlimited tax bonds will remain authorized but unissued: \$79,715,000 for the Utility System and \$133,500,000 principal amount of unlimited tax bonds for the refunding of such bonds; \$42,045,000 for the Road System and \$79,500,000 principal amount of unlimited tax bonds for the refunding of such bonds; and \$8,000,000 for the purpose of acquiring or constructing parks and recreational facilities and \$12,000,000 principal amount of unlimited tax bonds for the refunding of such bonds. The District also has the right to issue certain other additional bonds, special projects bonds, and other obligations, as described in the Bond Order. If additional bonds are issued in the future and property values have not increased proportionately, such issuance may increase gross debt/property valuation ratios and thereby adversely affect the investment quality or security of the Bonds. The District may also issue any additional bonds as may hereafter be approved by both the Board and voters of the District as well as certain additional bonds, revenue bonds, special project bonds, and other obligations as described in the Bond Order. See "THE BONDS – Issuance of Additional Debt."

Following reimbursement with the proceeds of the Bonds, the District will still owe the Developer approximately \$6,698,953.16 for the reimbursable expenditures advanced to date to develop land within the District. See "THE SYSTEM" and "DEVELOPMENT WITHIN THE DISTRICT."

Tax Collections 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 taxing authorities on the property against which taxes are levied, and such lien may be enforced by foreclosure. The District's ability to collect ad valorem taxes through such foreclosure may be impaired by (a) cumbersome, time-consuming and expensive collection procedures, (b) a bankruptcy court's stay of tax collection procedures against a taxpayer, (c) market conditions limiting the proceeds from a foreclosure sale of taxable property, or (d) the taxpayer's right to redeem the property within two (2) years of foreclosure for residential homestead and agricultural use property and within twelve (12) months of foreclosure for other property. While the District has a lien on taxable property within the District for taxes levied against such property, such lien can be foreclosed only in a judicial proceeding. Moreover, the value of property to be sold for delinquent taxes and thereby the potential sales proceeds available to pay debt service on the Bonds, may be limited by among other factors, the existence of other tax liens on the property, by the current aggregate tax rate being levied against the property, or by the taxpayer's right to redeem residential or agricultural use property within two (2) years of foreclosure and all other property within six (6) months of foreclosure. Finally, a bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within the District pursuant to Federal Bankruptcy Code could stay any attempt by the District to collect delinquent ad valorem taxes assessed against such taxpayer. See "TAXING PROCEDURES."

Registered Owners' Remedies

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

enforce such remedies would have to be undertaken at the initiative of, and be financed by, the Registered Owners.

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

Bankruptcy Limitation to Registered Owners' Rights

The enforceability of the rights and remedies of registered owners of the Bonds may be limited by laws relating to bankruptcy, reorganization, or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. 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 U.S. Bankruptcy Code, 11 USC sections 901-946. The filing of such petition would automatically stay the enforcement of registered owners' remedies, including mandamus and the foreclosure of tax liens upon property within the District discussed above. The automatic stay would remain in effect until the federal bankruptcy judge hearing the case dismisses the petition, enters an order granting relief from the stay or otherwise allows creditors to proceed against the petitioning political subdivision. A political subdivision, such as the District, may qualify as a debtor eligible to proceed in a Chapter 9 case only if it (1) is generally 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 has negotiated in good faith with its creditors or is unable to negotiate with its creditors because negotiations are impracticable. Under Texas law, a municipal utility district, such as the District, must obtain the approval of the TCEQ as a condition to seeking relief under the U.S. Bankruptcy Code. The TCEQ is required to investigate the financial condition of a financially troubled district and authorize such district to proceed under federal bankruptcy law only if such district has fully exercised its rights and powers under Texas law and remains unable to meet its debts and other obligations as they mature.

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

If a petitioning district were allowed to proceed voluntarily under Chapter 9 of the U.S. 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 a registered owner by reducing or eliminating the amount of indebtedness, deferring or rearranging the debt service schedule, reducing or eliminating the interest rate, modifying or abrogating collateral or security arrangements, substituting (in whole or in part) other securities, and otherwise compromising and modifying the rights and remedies of the registered owner's claim against a district.

A special purpose district cannot be placed into bankruptcy involuntarily.

Changes in Tax Legislation

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

Marketability

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

Approval of the Bonds

As required by law, engineering plans, specifications, and estimates of construction costs for the facilities and services to be purchased or constructed by the District and financed with the proceeds of the Bonds have been approved, subject to certain conditions, by the TCEQ. The Attorney General of Texas must approve the legality of the Bonds prior to their delivery. The Attorney General of Texas, however, does not pass upon or guarantee the safety of the Bonds as an investment or the adequacy or accuracy of the information contained in this Official Statement. Neither the TCEQ nor the Attorney General of Texas passes upon or guarantees the security of the Bonds as an investment, nor have the foregoing authorities passed upon the adequacy or accuracy of the information contained in this Official Statement.

Continuing Compliance with Certain Covenants

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

Potential Effects of Oil Price Fluctuations on the Houston Area

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

Specific Flood Type Risks

The District may be subject to the following flood 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.

Potential Impact of Natural Disaster

The District could be impacted by a natural disaster such as wide-spread fires, earthquakes, or weather events such as hurricanes, tornadoes, tropical storms, or other severe weather events that could produce high winds, heavy rains, hail, and flooding. In the event that a natural disaster should damage or destroy improvements and personal property in the District, the assessed value of such taxable properties could be substantially

reduced, resulting in a decrease in the taxable assessed value of the District or an increase in the District's tax rates. See "TAXING PROCEDURES – Valuation of Property for Taxation."

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

National Weather Service Atlas 14 Rainfall Study

In 2018, the National Weather Service completed a rainfall study known as NOAA Atlas 14, Volume 11 Precipitation-Frequency Atlas of the United States ("Atlas 14"). Floodplain boundaries within the District may be redrawn based on the Atlas 14 study based on a higher statistical rainfall amount, resulting in 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.

Environmental Regulations

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

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

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

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

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

grants for certain public works construction projects if it finds that an area fails to demonstrate progress in reducing ozone levels.

The HGB Area is currently designated as a “serious” nonattainment area under the 2015 Ozone Standard, with an attainment deadline of August 3, 2027. For purposes of the 2015 Ozone Standard, the HGB Area consists of only six counties: Brazoria, Chambers, Fort Bend, Galveston, Harris, and Montgomery Counties.

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

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

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

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

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

The TCEQ issued the General Permit for Phase II (Small) Municipal Separate Storm Sewer Systems (the “MS4 Permit”) on August 15, 2024. The MS4 Permit authorizes the discharge of stormwater to surface water in the state from small municipal separate storm sewer systems. While the District is currently not subject to the MS4 Permit, if the District’s inclusion were required at a future date, the District could incur substantial costs to develop, implement, and maintain the necessary plans as well as to install or implement best management practices to minimize or eliminate unauthorized pollutants that may otherwise be found in stormwater runoff in order to comply with the MS4 Permit.

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

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

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

Cybersecurity

The District’s consultants use digital technologies to collect taxes, hold funds and process disbursements. These systems necessarily hold sensitive protected information that is valued on the black market. As a result, the electronic systems and networks of organizations like the District’s consultants are considered targets for cyber-attacks and other potential breaches of their systems. To the extent the District is determined to be the party responsible for various electronic systems or suffers a loss of funds due to a security breach, there could be a material adverse effect on the District’s finances. Insurance to protect against such breaches is limited.

Bond Insurance Risk Factors

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

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

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

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

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

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

THE DISTRICT

General

Waller County Municipal Utility District No. 9 (the “Original District”) was created pursuant to Article XVI, Section 59 of the Constitution of the State of Texas and Chapters 49 and 54 of the Texas Water Code by Senate Bill No. 588, 81st Texas Legislature, Regular Session, 2009, codified as Chapter 8304, Special District Local Laws Code (the “Act”). The Act granted the Original District the power of division and pursuant to an Order adopted by the Original District on August 20, 2017, the Original District was divided into Waller County Municipal Utility District No. 9A and the District. The District consists of approximately 281 acres of land.

Description

The District, a political subdivision of the State of Texas, is located in the County within the ETJ of the City, approximately 7 miles northwest of downtown Katy. Access to the District is provided from FM 529/Freeman Road, FM 2855, Beckendorff Road, and Stockdick Road. The District is located entirely within the boundaries of the Royal Independent School District.

Management of the District

The District is governed by a board, consisting of five directors, which has control over and management and supervision of all affairs of the District (the “Board”). Directors serve staggered four-year terms, with elections held in May of each even numbered year. All of the directors own property in the District. The present members and officers of the Board listed below:

<u>Name</u>	<u>Position</u>	<u>Term Expires May</u>
Shannon Wiesepape	President	2028
Michael Williams	Vice President	2026
Dan D’Acquisto	Secretary	2028
Julie Glass	Assistant Secretary	2026
Trey Thompson	Assistant Secretary	2028

- Consultants -

Tax Assessor/Collector: The District’s Tax Assessor/Collector is Utility Tax Service, LLC (the “Tax Assessor/Collector”). The Tax Assessor/Collector applies the District’s tax levy to tax rolls prepared by the Waller County Appraisal District (the “Appraisal District”) and bills and collects such levy.

Bookkeeper: The District’s bookkeeper is L&S District Services, LLC.

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. A copy of the District’s audit prepared by McCall Gibson Swedlund Barfoot Ellis PLLC, for the fiscal year ended August 31, 2024, is included as “APPENDIX A” to this Official Statement. McCall Gibson Swedlund Barfoot Ellis PLLC has been engaged to audit the District’s financial statements for the fiscal year ended August 31, 2025.

Engineer: The consulting engineer retained by the District in connection with the design and construction of the District’s facilities is Pape-Dawson Engineers Inc.

Bond & General Counsel: The District has engaged Sanford Kuhl Hagan Kugle Parker Kahn LLP, Houston, Texas, as Bond Counsel in connection with the issuance of the District's Bonds. The fees of Bond Counsel are contingent upon the sale and delivery of the Bonds. Sanford Kuhl Hagan Kugle Parker Kahn LLP, Houston, Texas also serves as the District's general counsel.

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

Financial Advisor: Robert W. Baird & Co. Incorporated is employed as financial advisor (the "Financial Advisor") to the District in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. The Financial Advisor is employed by the District and has participated in the preparation of the Official Statement, however, the Financial Advisor is not obligated to undertake, and has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information in this Official Statement that has been supplied or provided by third-parties.

Operator: Quadvest, L.P. serves as operator to the District pursuant to the Certificate of Convenience and Necessity No. 11612.

DEVELOPER

The Role of a Developer

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

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

Neither the Developer, nor any affiliate entities, are obligated to pay principal of or interest on the Bonds. Furthermore, neither the Developer, nor any affiliate entities, have a binding commitment to the District to carry out any plan of development, and the furnishing of information relating to the proposed development by the Developer or affiliate entities should not be interpreted as such a commitment. Prospective purchasers are encouraged to inspect the District in order to acquaint themselves with the nature of development that has occurred or is occurring within the District's boundaries.

Developer

The Developer in the District is LGI Homes – Texas, LLC (the “Developer”), a special purpose entity created solely for the purpose of developing land in projects located in Texas. The Developer is a Texas limited liability company owned by LGI Homes – Group, LLC (“Homes Group”). Homes Group is a Texas limited liability company owned by LGI Homes, Inc. (“LGI Homes”).

LGI Homes is a publicly traded corporation whose stock is listed on the NASDAQ under the symbol LGIH. The Developer is subject to the information requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith files reports and other information with the SEC. Reports, proxy statements and other information filed by LGI Homes, can be inspected at the office of the SEC at Judiciary Plaza, Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such material can be obtained from the Public Reference Section of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. Copies of the above reports, proxy statements and other information may also be inspected online at <https://investor.lgihomes.com>. The SEC maintains a World Wide Web site on the Internet at <http://www.sec.gov> that contains reports, proxy information statements and other information regarding registrants that file electronically with the SEC. Reference to the financial information concerning LGI Homes, is relevant, among other reasons, to the ability of the Developer to continue to develop land in the District and to pay taxes levied by the District and other taxing entities. Neither the Developer nor LGI Homes, has made any commitment to pay debt service on the Bonds, and reference to the financial information of LGI Homes, in this Official Statement should not be so construed. The District has not obtained any representations from LGI Homes, concerning its publicly available filings or undertaken any review thereof and assumes no responsibility for the information contained therein.

DEVELOPMENT WITHIN THE DISTRICT

Current Status of Development

Land within the District has been developed as the single-family subdivision of Freeman Ranch, Sections 1 – 5 (aggregating approximately 180.906 acres and 810 single-family lots). As of October 1, 2025, the District consisted of 737 completed homes, 6 homes under construction, 1 model home and 62 vacant developed lots. The remaining land within the District consists of approximately 100.093 undevelopable acres.

The following development table is as of October 1, 2025:

	Acres	Platted Lots	Homes		Model Homes	Vacant Lots
			Completed (a)	Under Construction (a)		
Freeman Ranch, Section 1	26.801	122	122	0	0	0
Freeman Ranch, Section 2	18.036	88	81	0	1	2
Freeman Ranch, Section 3	49.311	227	227	0	0	0
Freeman Ranch, Section 4	48.775	199	199	0	0	0
Freeman Ranch, Section 5	37.983	174	108	6	0	60
Total:	180.906	810	737	6	1	62
Residential Under Development	00.00					
Undevelopable Acres	100.093					
Remaining Developable Acres	0.00					
Total District Acreage	281.00					

(a) According to the Developer, there were 629 occupied homes (including 1 model home) as of August 1, 2025.

Homebuilder

LGI Homes is the sole homebuilder in the District. Homes being constructed in the District range in price from approximately \$268,900 to \$361,900 and in size from approximately 1,218 to 2,174 square feet.

PHOTOGRAPHS TAKEN WITHIN THE DISTRICT
(August 2025)



TAX DATA

General

Taxable property within the District is subject to the assessment, levy and collection by the District of a continuing direct, annual ad valorem tax, without legal limitation as to rate or amount, sufficient to pay principal of and interest on the Bonds (and any future tax-supported bonds which may be issued from time to time as authorized). Taxes are levied by the District each year against the District's assessed valuation as of January 1 of that year. Taxes become due October 1 of such year, or when billed, and generally become delinquent after January 31 of the following year. The Board covenants in the Bond Order to assess and levy for each year that all or any part of the Bonds remain outstanding and unpaid a tax ample and sufficient to produce funds to pay the principal of and interest on the Bonds. The actual rate of such tax will be determined from year to year as a function of the District's tax base, its debt service requirements and available funds. In addition, the District has the power and authority to assess, levy and collect ad valorem taxes, in an amount not to exceed \$1.50 per \$100 of assessed valuation for operation and maintenance purposes and in an amount not to exceed \$0.10 per \$100 of assessed valuation for parks and recreational facilities maintenance. The Board levied a 2025 tax rate of \$0.1275 per \$100 of assessed valuation for operation and maintenance purposes.

Tax Rate Limitation

Debt Service:	Unlimited (no legal limit as to rate or amount).
Maintenance & Operations/General:	\$1.50 per \$100 of Assessed Valuation.
Parks & Recreational Facilities Maintenance:	\$0.10 per \$100 of Assessed Valuation.

Debt Service Tax

The Board covenants in the Bond Order to levy and assess, for each year that all of any part of the Bonds remain outstanding and unpaid, a tax adequate to provide funds to pay the principal and interest on the Bonds.

Maintenance and Operations Tax

The Board has the statutory authority to levy and collect an annual ad valorem tax for maintenance and operations of the District's improvements, if such maintenance and operations tax is authorized by vote of the District's electors. At an election held within the District on November 7, 2017, the Board was authorized to levy such a maintenance and operations tax in an amount not to exceed \$1.50 per \$100 assessed valuation and in an amount not to exceed \$0.10 per \$100 of assessed valuation for parks and recreational facilities. The District levied a maintenance and operations tax for 2025 at the rate of \$0.1275 per \$100 assessed valuation. Such tax is in addition to taxes which the District is authorized to levy for paying principal and interest on the District's bonds.

Tax Exemption

As discussed in the section entitled "TAXING PROCEDURES" herein, certain property in the District may be exempt from taxation by the District. The District does not exempt any percentage of the market value of any residential homesteads from taxation.

Additional Penalties

The District has authorized the Tax Assessor/Collector to contract with a delinquent tax attorney to collect certain delinquent taxes. In connection with that contract, the District can establish an additional penalty of 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 August 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 Tax Code.

Historical Tax Collections

The following table illustrates the collection history of the District for the tax years 2021–2025.

Tax Year	Assessed Valuation	Tax Rate/ \$100 (a)	Adjusted Levy	Collections Current Year	Current Year End	Collections 07/31/2025
2021	\$ 75,505,520	0.770000	581,393	99.43%	2022	100.00%
2022	105,333,914	0.770000	811,071	98.73%	2023	99.71%
2023	160,160,447	0.740000	1,185,187	99.45%	2024	99.58%
2024	179,558,070	0.740000	1,328,730	99.35% (b)	2025	99.35% (b)
2025	189,937,449	0.740000	1,405,537	(c)	2026	(c)

(a) See “- Tax Rate Distribution” below.

(b) Collections as of July 31, 2025.

(c) In the process of collection. 2025 taxes are due by January 31, 2026.

Tax Rate Distribution

The following table sets out the components of the District’s tax levy for each of the 2021–2025 tax years.

	2025	2024	2023	2022	2021
Utility Debt Service	\$ 0.2725	\$ 0.1400	\$ 0.2450	\$ 0.3300	\$ 0.2500
Road Debt Service	0.3400	0.2200	0.3300	0.1800	0.0000
Maintenance & Operation	<u>0.1275</u>	<u>0.3800</u>	<u>0.1650</u>	<u>0.2600</u>	<u>0.5200</u>
Total	\$ 0.7400	\$ 0.7400	\$ 0.7400	\$ 0.7700	\$ 0.7700

Analysis of Tax Base

The following table illustrates the District’s total assessed value in the tax years 2021–2025, by type of property.

Type of Property	2025 Assessed Valuation	2024 Assessed Valuation	2023 Assessed Valuation	2022 Assessed Valuation	2021 Assessed Valuation
Land	24,120,450	22,404,929	21,024,637	19,988,565	14,985,295
Improvements	169,902,872	161,035,016	141,627,963	87,407,637	62,144,012
Personal Property	768,296	312,985	224,824	165,864	4,761
Exemptions	<u>(4,854,169)</u>	<u>(4,194,860)</u>	<u>(2,716,977)</u>	<u>(2,228,152)</u>	<u>(1,628,548)</u>
Total	189,937,449	179,558,070	160,160,447	105,333,914	75,505,520

Principal Taxpayers

The following represents the principal taxpayers, type of property, and their assessed values as of January 1, 2025:

Taxpayer	Type of Property	Assessed Valuation 2025 Tax Roll	Percent of 2024 Tax Roll
LGI Living - Leasing LLC(a)	Land & Improvements	13,525,352	7.12%
LGI Homes-Texas LLC (b)	Land & Improvements	5,479,876	2.89%
HGK Investments LLC	Land & Improvements	1,885,355	0.99%
Homeowner	Land & Improvements	1,211,100	0.64%
Homeowner	Land & Improvements	879,360	0.46%
Homeowner	Land & Improvements	614,170	0.32%
Homeowner	Land & Improvements	600,000	0.32%
Homeowner	Land & Improvements	589,500	0.31%
Homeowner	Land & Improvements	575,230	0.30%
SFR JV 2 Borrower LLC	Land & Improvements	529,040	0.28%
Total		\$ 25,888,983	13.63%

(a) See "Risk Factors-Rental Homes."

(b) See "DEVELOPER - Developer" and "DEVELOPMENT WITHIN THE DISTRICT - Homebuilder."

Tax Rate Calculations

The tax rate calculations set forth below are presented to indicate the tax rates per \$100 of assessed valuation that would be required to meet debt service requirements on the Outstanding Bonds and the Bonds if no growth in the District occurs beyond the 2025 Certified Taxable Assessed Valuation (\$189,937,449) or the Estimate of Value as of May 1, 2025 (\$205,003,629). The following further assumes collection of 95% of taxes levied and the sale of no additional bonds:

Combined Average Annual Debt Service Requirement (2026-2050).....	\$1,163,224
Tax Rate of \$0.65 on the 2025 Certified Taxable Assessed Valuation produces	\$1,172,864
Tax Rate of \$0.60 on the Estimate of Value as of May 1, 2025, produces.....	\$1,168,521
Combined Maximum Annual Debt Service Requirement (2046)	\$1,303,131
Tax Rate of \$0.73 on the 2025 Certified Taxable Assessed Valuation produces.....	\$1,317,216
Tax Rate of \$0.67 on the Estimate of Value as of May 1, 2025, produces.....	\$1,304,848

Estimated Overlapping Taxes

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

Set forth below is a compilation of all 2025 taxes levied by such jurisdictions per \$100 of assessed valuation. The table below does not include any future debt service tax rate that may be levied as a result of the issuance of the Bonds (see “TAX DATA – Debt Service Tax”). Such levies do not include local assessments for community associations, fire department contributions, charges for solid waste disposal, or any other dues or charges made by entities other than political subdivisions.

Taxing Jurisdiction	2025 Tax Rate Per \$100 of Assessed Value
The District	\$0.740000
Waller County	0.532596
Waller County FM	0.023591
Waller-Harris ESD 200	0.100000
Brookshire Katy Drainage District	0.057850
Royal Independent School District	1.069917
Total 2025 Overlapping Tax Rate for the District	\$2.523954

THE SYSTEM

General

The Utility System has been and will be funded with proceeds of the Utility Bonds, including the Bonds. See “INVESTMENT CONSIDERATIONS – Future Debt” and “THE BONDS – Issuance of Additional Debt.” The water, wastewater and drainage facilities serving District have been designed in accordance with accepted engineering practices and the recommendation of certain governmental agencies having regulatory or supervisory jurisdiction over construction and operation of such facilities, including among others, the TCEQ. According to the Engineer, the design of all such facilities has been approved by all governmental agencies which have jurisdiction over the District.

Ownership and Operations

The District finances and constructs the Utility System, and thereafter conveys the components of the Utility System to Quadvest, L.P., upon completion, subject to the District’s capacity rights. The Utility System is owned, maintained, and operated by the Quadvest, L.P. Quadvest, L.P., charges and collects the fees associated with the Utility System. The District receives no revenues from the operation of the Utility System; the costs of the administration of the District are paid from maintenance tax revenue. See “TAX DATA – Tax Rate Distribution.”

Description of the System

Water Supply and Distribution: The District’s water supply and water distribution are provided by a separate, private entity operating under Certificate of Convenience and Necessity No. 11612 for water supply and distribution (“CCN No. 11612”) and doing business as Quadvest, L.P. Pursuant to an agreement with the District, Quadvest, L.P. has agreed to provide water supply and water distribution services to the District.

Wastewater Treatment and Conveyance System: Wastewater collection and wastewater treatment for the District are being provided by Quadvest, L.P. operating under Certificate of Convenience and Necessity No. 20952 (“CCN No. 20952”). The District will utilize 850 ESFCs of permanent wastewater capacity in the wastewater treatment and disposal facilities (“Plant Site”) (TPDES Permit No. WQ0014943001). The Plant Site meets or exceeds the minimum design criteria set by the TCEQ and has the capacity in the amount of approximately 750,000 gdp (2,380 ESFCs). On average, the wastewater treatment plant treats 125,000 gpd.

Storm-Water Drainage Facilities: Storm water in the District is generally allowed to runoff into roadside ditches until ultimately reaching Cane Island Branch. The general drainage improvements of the District include storm sewers and a drainage channel that eventually drain into Cane Island Branch.

Paving Facilities: The District's Road System has been and will be funded with proceeds of the Road Bonds. See "INVESTMENT CONSIDERATIONS – Future Debt" and "THE BONDS – Issuance of Additional Debt." Construction of the District's roads is subject to certain regulations by the City and Waller County, Texas. The roads within the District vary in width in accordance with standards adopted by Waller County, Texas, but are sized to accommodate the anticipated traffic demands of full build-out of the property within the District. To date, construction of the road system in the District includes, but is not limited to, the following: Freeman Ranch Drive and the internal road systems that serve Freeman Ranch, Sections 1-5. The Road System will ultimately be owned, operated and maintained by Waller County, Texas as the phases are constructed and accepted by the County. The District does not intend to maintain or operate the roads once they are accepted by the County.

Flood Plain

According to the FEMA Flood Insurance Rate Map Panel No. 48473 C0350E dated February 18, 2009, and revised by a Letter of Map Revision (LOMR) effective September 30, 2016 (Case No. 16-06-0935P), no properties within the boundaries of the District are located within in the 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 not an assurance that homes built in such area will not be flooded, and a number of neighborhoods in the greater City area that are above the 100-year flood plain have flooded multiple times in the last several years.

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

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Historical General Operating Fund

The following is a summary of the District's general operating fund for the previous five fiscal years. The figures below were obtained from the District's audited annual financial reports for fiscal years ended August 31, 2021, through August 31, 2024. The unaudited summary shown below for the period ended August 31, 2025, has been provided by the District's bookkeeper. See "APPENDIX A." The District is required by statute to have a certified public accountant prepare and file an annual audit of its financial records with the TCEQ. The District's primary source of revenue is from property taxes. The District does not receive water service revenues nor wastewater service revenues.

	Fiscal Year Ended August 31				
	2025 (a)	2024	2023	2022	2021
Revenues					
Property Taxes	\$ 248,068	\$ 263,681	\$ 271,713	\$ 393,170	\$ 312,540
Investment & Miscellaneous Revenues	<u>25,897</u>	<u>14,346</u>	<u>6,333</u>	<u>1,138</u>	<u>868</u>
Total Revenues	\$ 273,966	\$ 278,027	\$ 278,046	\$ 394,308	\$ 313,408
Expenditures					
Professional Fees	\$ 98,200	\$ 70,741	\$ 152,813	\$ 66,075	\$ 63,553
Contracted Services	15,547	12,588	11,265	11,185	17,041
Repairs and Maintenance	58,592	27,648	124,988	53,337	63,151
Other	<u>12,715</u>	<u>13,056</u>	<u>12,238</u>	<u>19,542</u>	<u>15,572</u>
Total Expenditures	\$ 185,055	\$ 124,033	\$ 301,304	\$ 150,139	\$ 159,317
Revenues Over (Under) Expenditures	\$ 88,910	\$ 153,994	\$ (23,258)	\$ 244,169	\$ 154,091
Other Financing Sources (Uses)					
Transfer In (Out)	\$ -	\$ 44,000	\$ -	\$ (88,500)	\$ 29,096
Developer Advances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,000</u>
Net Change in Fund Balance	\$ 88,910	\$ 197,994	\$ (23,258)	\$ 155,669	\$ 217,187
Fund Balance, Beginning of Year	\$ 546,905	\$ 345,124	\$ 368,382	\$ 212,713	\$ (4,474)
Fund Balance, End of Year	<u>\$ 635,816</u>	<u>\$ 546,905</u>	<u>\$ 345,124</u>	<u>\$ 368,382</u>	<u>\$ 212,713</u>

(a) Unaudited numbers from the August 2025 bookkeepers report.

DISTRICT DEBT

2025 Certified Taxable Assessed Valuation.....	\$ 189,937,449	(a)
Estimate of Value as of May 1, 2025.....	\$ 205,003,629	(b)
Direct Debt:		
The Outstanding Bonds (as of delivery of the Bonds)	\$ 16,470,000	
The Bonds.....	<u>2,710,000</u>	
Total	\$ 19,180,000	
Estimated Overlapping Debt.....	\$ <u>9,337,105</u>	(c)
Total Direct and Estimated Overlapping Debt.....	<u>\$ 28,517,105</u>	(c)
Direct Debt Ratios:		
As a percentage of 2025 Certified Taxable Assessed Valuation.....	10.10 %	
As a percentage of the May 1, 2025 Estimate of Value.....	9.36 %	
Direct and Estimated Overlapping Debt Ratios:		
As a percentage of 2025 Certified Taxable Assessed Valuation.....	15.01 %	
As a percentage of the May 1, 2025 Estimate of Value.....	13.91 %	
General Operating Fund (as of September 5, 2025)	\$ 618,699	
Utility Debt Service Fund (as of September 5, 2025)	\$ 112,677	(d)
Road Debt Service Fund (as of September 5, 2025)	\$ 409,613	(e)
2025 District Tax Rate per \$100 of Assessed Valuation		
Utility Debt Service	\$0.2725	
Road Debt Service.....	0.3400	
Maintenance & Operations.....	<u>0.1275</u>	
Total	<u>\$0.7400</u>	(f)
Average Annual Debt Service Requirement (2026–2050).....	\$ 1,163,224	(g)
Maximum Annual Debt Service Requirement (2046).....	\$ 1,303,131	(g)
Debt Service Tax Rate per \$100 of Assessed Valuation Required to Pay the		
Average Annual Debt Service Requirement (2026–2050) at 95% Tax Collections		
Based Upon 2025 Certified Taxable Assessed Valuation	\$0.65	
Based Upon the May 1, 2025 Estimate of Value.....	\$0.60	
Debt Service Tax Rate per \$100 of Assessed Valuation Required to Pay the		
Maximum Annual Debt Service Requirement (2046) at 95% Tax Collections		
Based Upon 2025 Certified Taxable Assessed Valuation	\$0.73	
Based Upon the May 1, 2025 Estimate of Value.....	\$0.67	
Number of Single-Family Homes (including 6 homes in various		
stages of construction and 1 model home) as of October 1, 2025.....	744	

- (a) As certified by the Waller County Appraisal District (the "Appraisal District"). All property located in the District is valued on the tax rolls by the Appraisal District at 100% of estimated market value as of January 1 of each year.
- (b) Provided by the Appraisal District for informational purposes only. This amount is an estimate of the taxable value of all taxable property located within the District as of May 1, 2025, and includes an estimate of additional taxable value resulting from construction of taxable improvements from January 1, 2025, through May 1, 2025. No taxes will be levied on this estimated value. See "TAX DATA" and "TAXING PROCEDURES."
- (c) See "DISTRICT DEBT - Direct and Estimated Overlapping Debt Statement."
- (d) Includes an estimate of six (6) months of capitalized interest to be deposited into the Utility Debt Service Fund upon closing of the Bonds. Neither Texas law nor the Bond Order requires that the District maintain any particular sum in the Utility Debt Service Fund. The funds in the Utility Debt Service Fund are pledged only to pay the debt service on Outstanding Bonds (defined herein) issued for the Utility System and any additional bonds issued by the District for the Utility System, and are not pledged to pay debt service on bonds issued for the Road System.
- (e) Neither Texas law nor the Bond Order requires that the District maintain any particular sum in the Road Debt Service Fund. The funds in the Road Debt Service Fund are pledged only to pay the debt service on the Outstanding Bond issued for the Road System, and any additional bonds issued by the District for the Utility System, and are not pledged to pay debt service on bonds issued for the Utility System, including the Bonds.
- (f) The District levied a 2025 tax rate in the total amount of \$0.74 per \$100 of assessed valuation.
- (g) Requirement for debt service on the Bonds and the Outstanding Bonds. See "DISTRICT DEBT – Debt Service Requirements."

Debt Service Requirements

The following sets forth the debt service requirements on the Outstanding Bonds plus the principal and interest requirements on the Bonds. Totals may not sum due to rounding.

Calendar Year	Outstanding Debt Service	Plus: The Bonds			Total Debt Service
		Principal	Interest	Debt Service	
2026	\$ 1,077,518	\$ -	\$ 84,199	\$ 84,199	\$ 1,179,143
2027	1,069,699	60,000	119,338	179,338	1,265,199
2028	1,065,866	65,000	115,738	180,738	1,263,366
2029	1,061,874	65,000	111,838	176,838	1,256,124
2030	1,055,939	70,000	107,938	177,938	1,251,939
2031	1,056,589	75,000	104,438	179,438	1,254,089
2032	1,068,770	80,000	101,438	181,438	1,267,520
2033	1,069,458	80,000	98,238	178,238	1,264,208
2034	1,074,210	85,000	95,038	180,038	1,269,960
2035	1,072,958	90,000	91,638	181,638	1,269,458
2036	1,080,786	95,000	88,038	183,038	1,277,786
2037	1,082,180	100,000	84,238	184,238	1,279,430
2038	1,087,633	105,000	80,238	185,238	1,284,883
2039	1,091,926	110,000	76,038	186,038	1,288,926
2040	1,094,988	115,000	71,638	186,638	1,291,488
2041	1,096,880	120,000	67,038	187,038	1,292,630
2042	1,102,516	125,000	61,938	186,938	1,297,266
2043	1,101,569	135,000	56,625	191,625	1,300,069
2044	1,104,513	140,000	50,719	190,719	1,301,263
2045	1,110,475	145,000	44,594	189,594	1,305,225
2046	1,109,881	155,000	38,250	193,250	1,307,381
2047	917,956	160,000	31,275	191,275	1,112,706
2048	710,325	170,000	24,075	194,075	907,075
2049	176,800	180,000	16,425	196,425	375,050
2050	-	185,000	8,325	193,325	194,250
Total	\$ 24,541,306	\$ 2,710,000	\$ 1,829,287	\$4,539,287	\$29,080,593

Average Annual Debt Service Requirement (2026–2050)\$1,163,224
Maximum Annual Debt Service Requirement (2046).....\$1,303,131

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Direct and Estimated Overlapping Debt Statement

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

Taxing Jurisdiction	Debt as of September 30, 2025	Estimated Overlapping	
		Percent	Amount
Waller County	\$ 169,177,994	1.27%	\$ 2,231,153
Royal Independent School District	175,805,000	4.20%	<u>7,105,952</u>
Total Estimated Overlapping Debt			\$ <u>9,337,105</u>
The District			<u>19,180,000</u> (a)
Total Direct & Estimated Overlapping Debt			<u>\$ 28,517,105</u> (a)

(a) Includes the Bonds and Outstanding Bonds.

Debt Ratios

Direct Debt Ratios:

As a percentage of the 2025 Taxable Assessed Valuation.....	10.10 %
As a percentage of the Estimate of Value as of May 1, 2025.....	9.36 %

Direct and Estimated Overlapping Debt Ratios:

As a percentage of the 2025 Taxable Assessed Valuation.....	15.01 %
As a percentage of the Estimate of Value as of May 1, 2025.....	13.91 %

TAXING PROCEDURES

Authority to Levy Taxes

The Board is authorized to levy an annual ad valorem tax on all taxable property within the District in an amount sufficient to pay the principal of and interest on the Bonds, and any additional bonds payable from taxes which the District may hereafter issue (see "INVESTMENT CONSIDERATIONS - Future Debt") and to pay the expenses of assessing and collecting such taxes. The District agrees in the Bond Order to levy such a tax from year-to-year as described more fully herein under "THE BONDS - Source of Payment." Under Texas law, the Board is also authorized to levy and collect an annual ad valorem tax for the operation and maintenance of the District and its water and wastewater system and for the payment of certain contractual obligations if authorized by its voters. See "TAX DATA - Tax Rate Limitation."

Property Tax Code and County-Wide Appraisal District

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

The Property Tax Code requires, among other matters, county-wide appraisal and equalization of taxable property values and establishes in each county of Texas an appraisal district with the responsibility for recording and appraising property for all taxing units within a county and an appraisal review board with responsibility for reviewing and equalizing the values established by the Waller County Appraisal District (the "Appraisal District"). The Appraisal District has the responsibility of appraising property for all taxing units within the County, including the District. Such appraisal values will be subject to review and change by the Waller County Appraisal Review Board (the "Appraisal Review Board"). The appraisal roll, as approved by the Appraisal Review Board, will be used by the District in establishing its tax rolls and tax rate.

Property Subject to Taxation by the District

General: 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; certain farm products owned by the producer; certain property of charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; and most individually-owned automobiles. In addition, the District may by its own action exempt residential homesteads of persons 65 years or older and certain disabled persons, to the extent deemed advisable by the Board of Directors of the District. The District may be required to offer such exemptions if a majority of voters approve same at an election. The District would be required to call 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 the surviving spouse or children of a deceased veteran who died while on active duty in the armed forces, if requested, but only to the maximum extent of between \$5,000 and \$12,000 depending upon the disability rating of the veteran claiming the exemption. A veteran who receives a disability rating of 100% is entitled to an exemption of full value of the veteran's residential homestead. Qualifying surviving spouses of persons 65 years of age and older are entitled to receive a resident homestead exemption equal to the exemption received by the deceased spouse. Surviving spouses of a deceased veteran who had received a disability rating of 100% are entitled to receive a residential homestead exemption equal to the exemption received by the deceased spouse until such surviving spouse remarries.

In addition, a partially disabled veteran or the surviving spouse of a partially disabled veteran is 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 at no cost by a charitable organization at some or no cost to the veteran. This exemption also applies to a residence homestead that was donated by a charitable organization at some cost to such veterans. The surviving spouse of a member of the armed forces who was killed in action is entitled to an exemption of the total appraised value of the surviving spouse's residence homestead if the surviving spouse has not remarried since the service member's death and said property was the service member's residence homestead at the time of death. Such exemption may be transferred to a subsequent residence homestead of the surviving spouse, if the surviving spouse has not remarried, in an amount equal to the exemption received on the prior residence in the last year in which such exemption was received.

The surviving spouse of a first responder who is killed or fatally injured in the line of duty is entitled to an exemption of the total appraised value of the surviving spouse's residence homestead if the surviving spouse has not remarried since the first responder's death, and said property was the first responder's residence homestead at the time of death. Such exemption would be transferable to a subsequent residence homestead of the surviving spouse, if the surviving spouse has not remarried, in an amount equal to the exemption received on the prior residence in the last year in which such exemption was received.

Residential Homestead Exemptions: The Property Tax Code authorizes the governing body of each political subdivision in the State to exempt up to twenty percent (20%) of the appraised market value of residential homesteads from ad valorem taxation. Where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged, if the cessation of the levy would impair the obligations of the contract by which the debt was created. The adoption of a homestead exemption may be considered each year, but must be adopted by May 1. The District has never adopted a general homestead exemption.

Freeport Goods and Goods-in-Transit Exemption: A "Freeport Exemption" applies to goods, wares, ores, and merchandise other than oil, gas, and petroleum products (defined as liquid and gaseous materials immediately derived from refining petroleum or natural gas), and to aircraft or repair parts used by a certified air carrier acquired in or imported into Texas which are destined to be forwarded outside of Texas and which are detained in Texas for assembling, storing, manufacturing, processing or fabricating for less than 175 days. Although certain taxing units may take official action to tax such property in transit and negate such exemption, the District does not have such an option. A "Goods-in-Transit Exemption" may apply, for 2012 and subsequent tax years, to certain tangible personal property that is acquired in or imported into Texas for assembling, storing, manufacturing or fabrication purposes which is destined to be forwarded to another location in Texas not later than 175 days after acquisition or importation, so long as the location where said goods are detained is not directly or indirectly owned by the owner of the goods. The District has not taken action related to taxation of goods-in-transit, and accordingly, the exemption is not available within the District. A taxpayer may not claim both a Freeport Goods Exemption and a Goods-in-Transit Exemption on the same property.

Tax Abatement

The County may designate all or part of the area within the District as a reinvestment zone. Thereafter, the County and the District, at the option and discretion of each entity, may enter into tax abatement agreements with owners of property within the zone. Prior to entering into a tax abatement agreement, each entity must adopt guidelines and criteria for establishing tax abatement which each entity will follow in granting tax abatement to owners of property. The tax abatement agreements may exempt from ad valorem taxation by each of the applicable taxing jurisdictions, including the District, for a period of up to ten (10) years, all or any part of any increase in the 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. At this time, the County has not designated any of the area within the District as a reinvestment zone.

Valuation of Property for Taxation

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

The Property Tax Code requires the Appraisal District to implement a plan for periodic reappraisal of property. The plan must provide for appraisal of all real property in the Appraisal District at least once every three 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 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 Texas (the "Governor"). 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.

During the 2nd Special Session, convened on June 27, 2023, the Texas Legislature passed Senate Bill 2 ("SB 2"), which, among other things, includes provisions that prohibit an appraisal district from increasing the appraised value of real property during the 2024 tax year on non-homestead properties (the "Subjected Property") whose appraised values are not more than \$5,000,000 (the "Maximum Property Value") to an amount not to exceed the lesser of: (1) the market value of the Subjected Property for the most recent tax year that the market value was determined by the appraisal office or (2) the sum of: (a) 20 percent of the appraised value of the Subjected Property for the preceding tax year; (b) the appraised value of the Subjected Property for the preceding tax year; and (c) the market value of all new improvements to the Subjected. After the 2024 tax year, through December 31, 2026, the Maximum Property Value may be increased or decreased by the product of the preceding state fiscal year's increase or decrease in consumer price index, as applicable, to the Maximum Property Value. SB 2 was signed into law by the Governor on July 22, 2023, and took effect on January 1, 2024.

District and Taxpayer Remedies

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

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

Rollback of Operation and Maintenance Tax Rate

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

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

Developed Districts: Developed Districts that adopt a total tax rate that would impose more than 1.035 times the amount of the total tax imposed by the district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead in the district, subject to certain homestead exemptions, plus any unused increment rates, as calculated and described in Section 26.013 of the Property Tax Code, are required to hold an election within the district to determine whether to approve the adopted total tax rate. If the adopted total tax rate is not approved at the election, the total tax rate for a Developed District is the current year's debt service and contract tax rate plus the operation and maintenance tax rate that would impose 1.035 times the amount of operation and maintenance tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, subject to certain homestead exemptions, plus any unused increment rates. In addition, if any part of a Developed District lies within an area declared for disaster by the Governor 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 imposed by such district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead in the district, subject to certain homestead exemptions, are authorized to petition for an election to reduce the operation and maintenance tax rate. If an election is called and passes, the total tax rate for Developing Districts is the current year's debt service and contract tax rate the operation and maintenance tax rate that would impose 1.08 times the amount of operation and maintenance tax imposed by the District in the preceding tax year on a residence homestead appraised at the average appraised value of a resident homestead in the District in that year, subject to certain homestead exemptions.

The District: A determination as to the District's status as a Special Taxing Unit, Developed District or Developing District is made by the Board of Directors on an annual basis. For the 2025 tax year, the District was determined to be a Developing District by the Board of Directors. 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.

Agricultural, Open Space, Timberland and Inventory Deferment

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

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, 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 and operation 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 twenty percent (20%) penalty for collection costs. A delinquent tax on personal property incurs an additional twenty percent (20%) penalty, sixty (60) days after the date the taxes become delinquent (April 1). For those taxes billed at a later date and that become delinquent on or after June 1, they will also incur an additional penalty for collection costs of an amount established by the District and a delinquent tax attorney. The delinquent tax accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code makes provisions for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes under certain circumstances which, at the option of the District, may be rejected.

Property owners affected by a disaster may pay property taxes in four (4) equal installments following the disaster. In addition, certain classes of disabled veterans may receive a deferral or abatement of delinquent taxes without penalty during the time they own or occupy the property as their residential homestead.

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

At any time after taxes on property become delinquent, the District may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the District must join other taxing units that have claims for delinquent taxes against all or part of the same property. Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, by taxpayer redemption rights or by bankruptcy proceedings which restrict the collection of taxpayer debts. A taxpayer may redeem property within two years for residential and agricultural property and six months for commercial property and all other types of property after the purchaser's deed at the foreclosure sale is filed in the county records.

LEGAL MATTERS

Legal Proceedings

Delivery of the Bonds will be accompanied by the approving legal opinion of the Attorney General of Texas to the effect that the Bonds are valid and legally binding obligations of the District under the Constitution and laws of the State of Texas payable from the proceeds of an annual ad valorem tax levied, without legal 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 and the approving legal opinion of Bond Counsel, to a like effect, and to the effect that interest on the Bonds is excludable from gross income for federal income tax purposes under existing law, and interest on the Bonds is not subject to the federal alternative minimum tax.

Bond Counsel has reviewed the information appearing in this Official Statement under the captions "THE DISTRICT - General," "THE BONDS," "TAXING PROCEDURES," "LEGAL MATTERS - Legal Proceedings," "TAX MATTERS", and "CONTINUING DISCLOSURE OF INFORMATION" (except under the subheading "Compliance with Prior Undertakings") solely to determine whether such information fairly summarizes matters of law and 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 or the Developer 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.

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.

No-Litigation Certificate

The District will furnish to the initial purchaser of the Bonds (the “Initial Purchaser”) a certificate, dated as of the date of delivery of the Bonds, executed by both the President or Vice President and Secretary or Assistant Secretary of the Board, to the effect that no litigation of any nature has been filed or is to their actual knowledge then pending or threatened, either in state or federal courts, contesting or attacking the Bonds; restraining or enjoining the issuance, execution or delivery of the Bonds; affecting the provisions made for the payment of or security for the Bonds; in any manner questioning the authority or proceedings for the issuance, execution, or delivery of the Bonds; or affecting the validity of the Bonds.

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 subsequent to the date of sale from that set forth or contemplated in this Preliminary Official Statement, as it may be supplemented or amended, through the date of sale.

TAX MATTERS

The delivery of Bonds is subject to an opinion of Bond Counsel to the effect that, assuming continuing compliance by the District with the provisions of the Bond Order subsequent to the issuance of the Bonds pursuant to Section 103 of the Code, and existing regulations, published rulings and court decision procedures, interest on the bonds (i) will be excludable from the income, as defined in Section 61 of the Code, of the owners thereof for federal income tax purposes and (ii) is not subject to the alternative minimum tax on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of determining the alternative minimum tax imposed on corporations. The statutes, regulations, published rulings, and court decisions on which such opinion is based are subject to change.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel’s attention after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Bonds is excludable from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Bonds may otherwise affect a Beneficial Owner’s federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislature proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective

purchasers of the Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the District or Beneficial Owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the District and its appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the District or Beneficial Owners to incur significant expense.

Proposed Tax Legislation

If enacted, tax legislation, administrative actions taken by tax authorities, and court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or state income taxation, or otherwise prevent the Beneficial Owners of the Bonds from realizing the full current benefit of the tax status of such interest. For example, future legislation to resolve certain federal budgetary issues may significantly reduce the benefit of, or otherwise affect, the exclusion from gross income for federal income tax purposes of interest on all state and local obligations, including the Bonds. In addition, such legislation or actions (whether currently proposed, proposed in the future or enacted) could affect the market price or marketability of the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and its impact on their individual situations, as to which Bond Counsel expresses no opinion.

Tax Accounting Treatment of Original Issue Discount

To the extent the issue price of any maturity of the Bonds may be less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Bonds which is entitled to be excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Beneficial Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public. Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of obligations, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner's basis in a

Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Qualified Tax-Exempt Obligations

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 2025 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 2025. Pursuant to Section 265 of the Code, a qualifying financial institution may be allowed a deduction from its own federal corporate income tax for the portion of interest expense the financial institution is able to allocate to designated bank-qualified investments. Notwithstanding these exceptions, financial institutions acquiring the Bonds will be subject to a 20% disallowance of allocable interest expense.

The discussion contained herein may not be exhaustive. Investors, including those who are subject to special provisions of the code, should consult their own tax advisors as to the tax treatment which may be anticipated to result from the purchase, ownership, and disposition of tax-exempt obligations before determining whether to purchase the Bonds.

CONTINUING DISCLOSURE OF INFORMATION

In the Bond Order, the District has made the following covenants for the benefit of the holders of the Bonds. The District is required to observe these covenants for so long as it remains obligated to pay the Bonds. Pursuant to these covenants, the District will be obligated to provide certain updated financial information and operating data annually, as well as timely notice of specified material events, to the Municipal Securities Rulemaking Board (the “MSRB”) or any successor to its function as a repository, through its Electronic Municipal Market Access (“EMMA”) system, available at www.emma.msrb.org.

Annual Reports

The financial information and operating data which will be provided with respect to the District includes all quantitative financial information and operating data of the general type included in “TAX DATA,” “DISTRICT DEBT,” (except under the subheading “- Direct and Estimated Overlapping Debt Statements”) and “APPENDIX A” (Financial Statements of the District). The District will update and provide this information to the MSRB within six months after the end of each of its fiscal years. Any information 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 is not complete within such period, then the District shall provide unaudited financial statements for the applicable fiscal year to the MSRB within such six-month period and audited financial statements when the audit report becomes available.

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

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 IRS 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 within the meaning of the Rule; (13) consummation of a merger, consolidation, or acquisition involving the District within the meaning of the Rule, the sale of all or substantially all of the assets of the District within the meaning of the Rule, other than in the ordinary course of business, or 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, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of any such financial obligation of the District, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any such financial obligation of the District, any of which reflect financial difficulties. The term “financial obligation” when used in this paragraph shall have the meaning ascribed to it under federal securities laws including meaning a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term “financial obligation” does not include municipal securities for which a final official statement has been provided to the MSRB consistent with the Rule. The term “material” when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Order makes any provision for debt service reserves or liquidity enhancement. In addition, the District will provide timely notice of any failure by the District to provide financial information, operating data, or financial statements in accordance with its agreement described above under “Annual Reports.”

Availability of Information

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

Limitations and Amendments

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

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

Compliance with Prior Undertakings

The District has complied in all material respects with its prior continuing disclosure agreements entered into in accordance with the Rule.

OFFICIAL STATEMENT

General

The information contained in this Official Statement has been obtained primarily from the Developer, the District's records, the Engineer, the Tax Assessor/Collector, the Appraisal District, and other sources believed to be reliable; however, no representation is made as to the accuracy or completeness of the information contained herein, except as described below. The summaries of the statutes, resolutions and engineering and other related reports set forth herein are included 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.

Preparation

The information in this Official Statement has been obtained from sources as set forth herein under the following captions: information found under the sections captioned "THE DISTRICT" and "THE SYSTEM" has been provided by the Engineer; information found under the sections captioned "DEVELOPER" and "DEVELOPMENT WITHIN THE DISTRICT" has been provided by the Developer; information found under the section captioned "TAX DATA" has been provided by Utility Tax Services, Inc. and the Appraisal District; information found under the sections captioned "THE BONDS," "CONTINUING DISCLOSURE OF INFORMATION," "TAXING PROCEDURES," "LEGAL MATTERS," and "TAX MATTERS" has been provided by Sanford Kuhl Hagan Kugle Parker Kahn LLP, Houston, Texas, Bond Counsel.

Experts

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

The Engineer: The information contained in the Official Statement relating to engineering matters and to the description of the Utility System and, in particular, that information included in the sections entitled "THE DISTRICT," and "THE SYSTEM," has been provided by the Engineer, and has been included in reliance upon the authority of said firm as experts in the field of civil engineering.

Tax Assessor/Collector and Appraisal District: The information contained in the Official Statement relating to principal taxpayers and tax collection rates and the certified assessed valuation of property in the District and, in particular such information contained in the sections captioned "TAX DATA" has been provided by the Utility Tax Services, Inc. and the Appraisal District, in reliance upon their authority as experts in appraising and tax assessing.

Auditor

The District's audited financial statements for the year ended August 31, 2024, were prepared by McCall Gibson Swedlund Barfoot Ellis PLLC, Certified Public Accountant, Houston, Texas, and have been included herein as "APPENDIX A". McCall Gibson Swedlund Barfoot Ellis PLLC, Certified Public Accountant, has consented to the publication of such financial statements in this Official Statement.

Certification as to Official Statement

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

Updating of 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 (but not more than 90 days after the date the District delivers the Bonds) until all of the Bonds have been sold to ultimate customers.

This Official Statement was approved by the Board of Directors of Waller County Municipal Utility District No. 9B, as of the date shown on the first page hereof.

/s/ Shannon Wiesepape
President, Board of Directors
Waller County Municipal Utility District No. 9B

ATTEST:

/s/ Dan D'Acquisto
Secretary, Board of Directors
Waller County Municipal Utility District No. 9B

APPENDIX A
FINANCIAL STATEMENTS OF THE DISTRICT

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 9B

WALLER COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

AUGUST 31, 2024

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Waller County Municipal Utility District No. 9B
Waller County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Waller County Municipal Utility District No. 9B (the "District") as of and for the year ended August 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of August 31, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 6 to the financial statements, the District's government-wide financial statements as of and for the year ended August 31, 2023 have been restated for certain accounting changes. Our opinions are not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide an assurance, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in black ink that reads "McCall Gibson Swedlund Barfoot PLLC". The script is cursive and fluid.

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
Houston, Texas

December 13, 2024

**WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 9B
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2024**

Management’s discussion and analysis of the financial performance of Waller County Municipal Utility District No. 9B (the “District”) provides an overview of the District’s financial activities for the fiscal year ended August 31, 2024. Please read it in conjunction with the District’s financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The financial statements include: (1) combined fund financial statements and government-wide financial statements and (2) notes to the financial statements. The combined fund financial statements and government-wide financial statements combine both: (1) the Statement of Net Position and Governmental Funds Balance Sheet and (2) the Statement of Activities and Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances. This report also includes required and other supplementary information in addition to the financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District’s annual report includes two financial statements combining the government-wide financial statements and the fund financial statements. The government-wide financial statements provide both long-term and short-term information about the District’s overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The Statement of Net Position includes the District’s assets and liabilities with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors.

The Statement of Activities reports how the District’s net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

FUND FINANCIAL STATEMENTS

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has three governmental fund types. The General Fund accounts for property tax revenues, operating costs, professional fees and administrative costs. The Debt Service Fund accounts for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes. The Capital Projects Fund accounts for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

**WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 9B
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2024**

FUND FINANCIAL STATEMENTS (Continued)

Governmental funds are reported in each of the financial statements. The focus in the fund statements provides a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of the District and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. The adjustments columns, the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position and the Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities explain the differences between the two presentations and assist in understanding the differences between these two perspectives.

NOTES TO THE FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

OTHER INFORMATION

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information ("RSI") and other supplementary information. A budgetary comparison schedule is included as RSI for the General Fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, liabilities exceeded assets by \$12,585,569 as of August 31, 2024. A portion of the District's net position reflects its net investment in capital assets which include land and land improvements, water system, wastewater system and detention and drainage infrastructure, less any debt used to acquire those assets that is still outstanding.

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 9B
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The following table provides a comparative analysis of changes in net position:

	Summary of Changes in the Statement of Net Position		
	2024	2023 *	Change Positive (Negative)
Current Assets	\$ 1,211,341	\$ 729,627	\$ 481,714
Capital Assets (Net of Depreciation)	<u>14,546,400</u>	<u>14,897,451</u>	<u>(351,051)</u>
Total Assets	<u>\$ 15,757,741</u>	<u>\$ 15,627,078</u>	<u>\$ 130,663</u>
Due to Developers	\$ 13,727,789	\$ 15,379,424	\$ 1,651,635
Bonds Payable	14,348,828	10,154,242	(4,194,586)
Other Liabilities	<u>266,693</u>	<u>9,296</u>	<u>(257,397)</u>
Total Liabilities	<u>\$ 28,343,310</u>	<u>\$ 25,542,962</u>	<u>\$ (2,800,348)</u>
Net Position:			
Net Investment in Capital Assets	\$ (13,497,227)	\$ (10,510,056)	\$ (2,987,171)
Restricted	392,015	271,723	120,292
Unrestricted	<u>519,643</u>	<u>322,449</u>	<u>197,194</u>
Total Net Position	<u>\$ (12,585,569)</u>	<u>\$ (9,915,884)</u>	<u>\$ (2,669,685)</u>

* As restated

The following table provides a summary of the District's operations for the years ended August 31, 2024, and August 31, 2023.

	Summary of Changes in the Statement of Activities		
	2024	2023 *	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 1,184,666	\$ 811,593	\$ 373,073
Other Revenues	<u>60,331</u>	<u>16,001</u>	<u>44,330</u>
Total Revenues	\$ 1,244,997	\$ 827,594	\$ 417,403
Total Expenses	<u>3,914,682</u>	<u>3,932,031</u>	<u>17,349</u>
Change in Net Position	\$ (2,669,685)	\$ (3,104,437)	\$ 434,752
Net Position, Beginning of Year	<u>(9,915,884)</u>	<u>(6,811,447)</u>	<u>(3,104,437)</u>
Net Position, End of Year	<u>\$ (12,585,569)</u>	<u>\$ (9,915,884)</u>	<u>\$ (2,669,685)</u>

* As restated

**WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 9B
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2024**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of August 31, 2024, were \$926,467, an increase of \$220,548 from the prior year. The General Fund fund balance increased by \$197,994, primarily due to property tax revenues exceeding operating costs. The Debt Service Fund fund balance increased by \$115,723, primarily due to capitalized interest received from the sale of the Series 2023 Road Bonds. The Capital Projects Fund fund balance decreased by \$93,169. The District sold its Series 2023 Road Bonds and used the proceeds to reimburse debt owed to the Developer (see also Note 11).

GENERAL FUND BUDGETARY HIGHLIGHTS

The District adopted a budget for the General Fund for the current fiscal year. The budget was not amended. Actual revenues were \$12,727 more than budgeted revenues, actual expenditures were \$124,153 less than budgeted expenditures, and transfers in exceeded budgeted amounts by \$44,000. The result was a positive budget variance of \$180,880. See the budget to actual comparison for more information.

CAPITAL ASSETS

Capital assets as of August 31, 2024, total \$14,546,400 and include land and utilities. The water and wastewater infrastructure is conveyed to Quadvest for ownership, operation and maintenance for the benefit of District residents. Quadvest charges and collects fees associated with operating the system. The District is entitled to significant residual interest in the facilities conveyed and continues to record these facilities as District assets and records depreciation on these facilities in accordance with GASB Statement No. 94.

Capital Assets At Year-End			
	2024	2023	Change Positive (Negative)
Capital Assets Not Being Depreciated -			
Land and Land Improvements	\$ 276,593	\$ 276,593	\$
Capital Assets Subject to Depreciation:			
Water System	1,751,545	1,751,545	
Wastewater System	3,095,448	3,095,448	
Detention and Drainage Infrastructure	10,907,123	10,907,123	
Less Accumulated Depreciation	<u>(1,484,309)</u>	<u>(1,133,258)</u>	<u>(351,051)</u>
Total Net Capital Assets	<u>\$ 14,546,400</u>	<u>\$ 14,897,451</u>	<u>\$ (351,051)</u>

**WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 9B
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2024**

LONG-TERM DEBT

As of August 31, 2024, the District had total bond debt payable of \$14,300,000. The changes in the debt position of the District during the fiscal year ending August 31, 2024, are summarized as follows:

Bond Debt Payable, September 1, 2023	\$ 10,090,000
Add: Bond Sale - Series 2023 Road	4,575,000
Less: Bond Principal Paid	<u>(365,000)</u>
Bond Debt Payable, August 31, 2024	<u>\$ 14,300,000</u>

The District's Series 2023 Utility Bonds and Series 2023 Road Bonds carry underlying ratings of "Baa3". The Series 2021 Utility Bonds do not carry an insured rating while the Series 2021 Road, Series 2023 Utility Bonds and Series 2023 Road Bonds carry insured ratings of "AA" from Standard and Poor's by virtue of bond insurance issued by Build America Mutual Assurance Company. Credit enhanced ratings provided through bond insurance policies are subject to change based on changes to the ratings of the insurers.

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Waller County Municipal Utility District No. 9B, c/o Sanford Kuhl Hagan Kugle Parker Kahn LLP, 1330 Post Oak Boulevard, Suite 2650, Houston, TX 77056.

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 9B
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
AUGUST 31, 2024

	General Fund	Debt Service Fund
ASSETS		
Cash	\$ 48,260	\$ 402,023
Investments	499,307	
Receivables:		
Property Taxes	3,738	11,807
Penalty and Interest on Delinquent Taxes		
Due from Other Funds	11,708	
Land		
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	<u>\$ 563,013</u>	<u>\$ 413,830</u>
LIABILITIES		
Accounts Payable	\$ 12,370	\$
Due to Other Funds		11,708
Due to Taxpayers		12,743
Due to Developers		
Long-Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	<u>\$ 12,370</u>	<u>\$ 24,451</u>
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	<u>\$ 3,738</u>	<u>\$ 11,807</u>
FUND BALANCES		
Restricted for Authorized Construction	\$	\$
Restricted for Debt Service		377,572
Unassigned	546,905	
TOTAL FUND BALANCES	<u>\$ 546,905</u>	<u>\$ 377,572</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 563,013</u>	<u>\$ 413,830</u>
NET POSITION		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
TOTAL NET POSITION		

The accompanying notes to the financial
statements are an integral part of this report.

Capital Projects Fund	Total	Adjustments	Statement of Net Position
\$ 243,570	\$ 693,853 499,307	\$	\$ 693,853 499,307
	15,545		15,545
		2,636	2,636
	11,708	(11,708)	
		276,593	276,593
		14,269,807	14,269,807
<u>\$ 243,570</u>	<u>\$ 1,220,413</u>	<u>\$ 14,537,328</u>	<u>\$ 15,757,741</u>
\$ 241,580	\$ 253,950 11,708 12,743	\$ (11,708)	\$ 253,950 12,743
		13,727,789	13,727,789
		395,000	395,000
		13,953,828	13,953,828
<u>\$ 241,580</u>	<u>\$ 278,401</u>	<u>\$ 28,064,909</u>	<u>\$ 28,343,310</u>
<u>\$ -0-</u>	<u>\$ 15,545</u>	<u>\$ (15,545)</u>	<u>\$ -0-</u>
\$ 1,990	\$ 1,990 377,572 546,905	\$ (1,990) (377,572) (546,905)	\$
<u>\$ 1,990</u>	<u>\$ 926,467</u>	<u>\$ (926,467)</u>	<u>\$ -0-</u>
<u>\$ 243,570</u>	<u>\$ 1,220,413</u>		
		\$ (13,497,227)	\$ (13,497,227)
		392,015	392,015
		519,643	519,643
		<u>\$ (12,585,569)</u>	<u>\$ (12,585,569)</u>

The accompanying notes to the financial statements are an integral part of this report.

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 9B
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
AUGUST 31, 2024

Total Fund Balances - Governmental Funds	\$	926,467
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets are not current financial resources and, therefore, are not reported as assets in the governmental funds.		14,546,400
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Deferred inflows of resources related to property tax revenues and penalty and interest receivable for the 2023 and prior tax levies became part of recognized revenue in the governmental activities of the District.		18,181
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Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year end consist of:

Due to Developers	\$ (13,727,789)	
Bonds Payable	<u>(14,348,828)</u>	<u>(28,076,617)</u>

Total Net Position - Governmental Activities	\$	<u>(12,585,569)</u>
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The accompanying notes to the financial
statements are an integral part of this report.

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 9B
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED AUGUST 31, 2024

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	\$ 263,681	\$ 917,403
Penalty, Interest and Other Revenues	<u>14,346</u>	<u>33,303</u>
TOTAL REVENUES	<u>\$ 278,027</u>	<u>\$ 950,706</u>
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	\$ 70,741	\$ 6,004
Contracted Services	12,588	49,374
Repairs and Maintenance	27,648	
Depreciation		
Other	13,056	12,960
Conveyance of Assets		
Developer Interest		
Capital Outlay		
Debt Service:		
Bond Issuance Costs		
Bond Principal		365,000
Bond Interest		<u>506,442</u>
TOTAL EXPENDITURES/EXPENSES	<u>\$ 124,033</u>	<u>\$ 939,780</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES/EXPENSES	<u>\$ 153,994</u>	<u>\$ 10,926</u>
OTHER FINANCING SOURCES (USES)		
Transfers In (Out)	\$ 44,000	\$
Bond Discount		
Proceeds From Issuance of Long-Term Debt		<u>104,797</u>
TOTAL OTHER FINANCING SOURCES, NET	<u>\$ 44,000</u>	<u>\$ 104,797</u>
NET CHANGE IN FUND BALANCES	\$ 197,994	\$ 115,723
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION -		
SEPTEMBER 1, 2023, AS REPORTED	348,911	261,849
CHANGE DUE TO NEW ACCOUNTING GUIDANCE		
SEPTEMBER 1, 2023, AS RESTATED	<u>348,911</u>	<u>261,849</u>
FUND BALANCES/NET POSITION -		
AUGUST 31, 2024	<u>\$ 546,905</u>	<u>\$ 377,572</u>

The accompanying notes to the financial
statements are an integral part of this report.

Capital Projects Fund	Total	Adjustments	Statement of Activities
\$	\$ 1,181,084	\$ 3,582	\$ 1,184,666
12,495	60,144	187	60,331
<u>\$ 12,495</u>	<u>\$ 1,241,228</u>	<u>\$ 3,769</u>	<u>\$ 1,244,997</u>
\$	\$ 76,745	\$	\$ 76,745
	61,962		61,962
64,312	91,960		91,960
		351,051	351,051
204	26,220		26,220
		1,982,971	1,982,971
421,126	421,126		421,126
3,634,606	3,634,606	(3,634,606)	
398,383	398,383		398,383
	365,000	(365,000)	
	506,442	(2,178)	504,264
<u>\$ 4,518,631</u>	<u>\$ 5,582,444</u>	<u>\$ (1,667,762)</u>	<u>\$ 3,914,682</u>
\$ (4,506,136)	\$ (4,341,216)	\$ 1,671,531	\$ (2,669,685)
\$ (44,000)	\$	\$	\$
(13,236)	(13,236)	13,236	
4,470,203	4,575,000	(4,575,000)	
<u>\$ 4,412,967</u>	<u>\$ 4,561,764</u>	<u>\$ (4,561,764)</u>	<u>\$ -0-</u>
\$ (93,169)	\$ 220,548	\$ (220,548)	\$
		(2,669,685)	(2,669,685)
95,159	705,919	(10,245,256)	(9,539,337)
		(376,547)	(376,547)
<u>95,159</u>	<u>705,919</u>	<u>(10,621,803)</u>	<u>(9,915,884)</u>
<u>\$ 1,990</u>	<u>\$ 926,467</u>	<u>\$ (13,512,036)</u>	<u>\$ (12,585,569)</u>

The accompanying notes to the financial statements are an integral part of this report.

**WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 9B
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2024**

Net Change in Fund Balances - Governmental Funds	\$	220,548
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report tax revenue when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.		3,582
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Governmental funds report penalty and interest revenue on property taxes when collected. However, in the Statement of Activities, revenue is recorded when penalties and interest are assessed.		187
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Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.		(351,051)
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Governmental funds report bond premiums and bond discounts as other financing sources or uses. However, in the Statement of Activities, bond premiums and bond discounts are amortized over the life of the bonds and the amortized portion is recorded in the Statement of Activities.		15,414
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Governmental funds report bond proceeds as other financing sources. In governmental activities, the issuance of long-term debt increases long term liabilities.		(4,575,000)
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Governmental funds report bond principal payments as expenditures. However, in the Statement of Net Position, bond principal payments are reported as decreases in long-term liabilities.		365,000
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Conveyance of infrastructure to Waller County for ownership and maintenance is recorded as an expense in the Statement of Activities.		(1,982,971)
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Governmental funds report capital expenditures as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by the purchase or construction of utilities infrastructure.		3,634,606
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Change in Net Position - Governmental Activities	\$	<u>(2,669,685)</u>
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The accompanying notes to the financial
statements are an integral part of this report.

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 9B
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 1. CREATION OF DISTRICT

Waller County Municipal Utility District No. 9 (the “Original District”) was created pursuant to Article XVI, Section 59 of the Constitution of the State of Texas and Chapters 49 and 54 of the Texas Water Code by Senate Bill No. 588, 81st Texas Legislature, Regular Session, 2009, codified as Chapter 8304, Special District Local Laws Code (the “Act”). The Act granted the Original District the power of division and pursuant to an Order adopted by the Original District on August 20, 2017, the Original District was divided into Waller County Municipal Utility District No. 9A and Waller County Municipal Utility District No. 9B (the “District”). The District is empowered to purchase, operate and maintain all facilities, plants and improvements necessary to provide water, sanitary sewer service, storm sewer drainage, irrigation, solid waste collection and disposal, including recycling, for the residents of the District. The Board of Directors held its first meeting on August 21, 2017.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (“GASB”). The accounting records of the District are maintained generally in accordance with the *Water District Financial Management Guide* published by the Commission. The District is a political subdivision of the State of Texas governed by an elected board. GASB has established the criteria for determining whether an entity is a primary government or a component unit of a primary government. The primary criteria are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. No other entities meet the criteria for inclusion in the District’s financial statement as component units.

Financial Statement Presentation

These financial statements have been prepared in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting (“GASB Codification”). The GASB Codification sets forth standards for external financial reporting for all state and local government entities, which include a requirement for a Statement of Net Position and a Statement of Activities. It requires the classification of net position into three components: Net Investment in Capital Assets; Restricted; and Unrestricted. These classifications are defined as follows:

- Net Investment in Capital Assets – This component of net position consists of intangible assets, capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 9B
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

- Restricted Net Position – This component of net position consists of external constraints placed on the use of assets imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – This component of net position consists of assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

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

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole and are combined with the governmental fund financial statements. The District is viewed as a special-purpose government and has the option of combining these financial statements. The Statement of Net Position is reported by adjusting the governmental fund types to report on the full accrual basis, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Any amounts recorded due to and due from other funds are eliminated in the Statement of Net Position. The Statement of Activities is reported by adjusting the governmental fund types to report only items related to current year revenues and expenditures. Items such as capital outlay are allocated over their estimated useful lives as depreciation expense. Internal activities between governmental funds, if any, are eliminated by adjustment to obtain net total revenue and expense of the government-wide Statement of Activities.

Fund Financial Statements and Governmental Funds

The District's fund financial statements are combined with the government-wide financial statements. The fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances. The District has three governmental funds and considers each to be a major fund. The General Fund accounts for maintenance tax revenues, operating costs, professional fees and administrative costs. The Debt Service Fund accounts for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes. The Capital Projects Fund accounts for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 9B
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

The District uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both “measurable and available.” Measurable means the amount can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The District considers revenue reported in governmental funds to be available if they are collectible within 60 days after year-end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures when payment is due. In accordance with applicable accounting standards, the District’s policy is to record the September 1 debt service payments as expenditures during the current fiscal year, which is the year the payments were made.

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Fund Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis. As of August 31, 2024, the Debt Service Fund owed the General Fund \$11,708 for maintenance tax collections. The Capital Projects Fund transferred \$44,000 to the General Fund for construction related costs paid by the General Fund in a prior year.

Capital Assets

Capital assets consist of land and land improvements and detention and drainage infrastructure which the District owns and maintains as well as water and wastewater facilities conveyed to Quadvest which owns, maintains, and operates the facilities for the benefit of District residents. The District is entitled to significant residual interest in the facilities conveyed and continues to record these facilities as District assets and records depreciation on these facilities in accordance with GASB Statement No. 94 (see Notes 6 and 10). Capital assets are reported in the Statement of Net Position and are valued at historical cost. Assets are capitalized if they have an original cost greater than \$5,000 and a useful life over two years. Capital assets are depreciated using the straight-line method of depreciation over a period of 45 years.

Road infrastructure is conveyed to Waller County for ownership and maintenance. To date, road infrastructure costs totaling \$9,192,840 have been conveyed to Waller County, of which \$1,982,971 was conveyed during the current fiscal year.

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 9B
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgeting

An annual budget is adopted for the General Fund. The budget is prepared using the same method of accounting as for financial reporting. The original General Fund budget for the current year was not amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents the original budgeted amounts compared to the actual amounts of revenues and expenditures for the current year.

Pensions

A pension plan has not been established. The District does not have employees, except that the Internal Revenue Service has determined that the directors are considered “employees” for federal payroll tax purposes only.

Measurement Focus

Measurement focus is a term used to describe which transactions are recognized within the various financial statements. In the Statement of Net Position and Statement of Activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities associated with the activities are reported. Fund equity is classified as net position. Governmental fund types are accounted for on a spending or financial flow measurement focus. Accordingly, only current assets and current liabilities are included on the Balance Sheet, and the reported fund balances provide an indication of available spendable or appropriable resources. Operating statements of governmental fund types report increases and decreases in available spendable resources. Fund balances in governmental funds are classified using the following hierarchy:

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 imposed externally.

Committed: amounts that can be spent only for purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The District does not have any committed fund balances.

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 9B
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (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 expenditures are incurred for which restricted, committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds.

Accounting Estimates

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

NOTE 3. LONG-TERM DEBT

	<u>Series 2021 Utility</u>	<u>Series 2021 Road</u>
Amount Outstanding – August 31, 2024	\$ 3,105,000	\$ 3,595,000
Interest Rates	1.65% - 3.00%	2.50% - 5.00%
Maturity Dates – Beginning/Ending	September 1, 2025/2046	September 1, 2025/2047
Interest Payment Dates	March 1/ September 1	March 1/ September 1
Callable Dates	September 1, 2026*	September 1, 2027*

- * Or on any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest from the most recent payment date to the date fixed for redemption. Series 2021 Utility term bonds maturing on September 1, 2043 and 2046, are subject to mandatory redemption beginning September 1, 2041 and 2044, respectively. Series 2021 Road term bonds maturing on September 1, 2031, 2033, 2035, 2039, and 2047, are subject to mandatory redemption beginning September 1, 2030, 2032, 2034, 2036, and 2040, respectively.

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 9B
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 3. LONG-TERM DEBT (Continued)

	<u>Series 2023 Utility</u>	<u>Series 2023 Road</u>
Amount Outstanding – August 31, 2024	\$ 3,110,000	\$ 4,490,000
Interest Rates	3.125% - 5.625%	4.125% - 6.50%
Maturity Dates – Beginning/Ending	September 1, 2025/2048	September 1, 2025/2048
Interest Payment Dates	March 1/ September 1	March 1/ September 1
Callable Dates	March 1, 2030**	October 1, 2030**

** Or on any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest from the most recent payment date to the date fixed for redemption. Series 2023 Utility term bonds maturing on September 1, 2032, 2037 and 2041 are subject to mandatory redemption beginning September 1, 2031, 2036 and 2040. Series 2023 Road term bonds maturing on September 1, 2031, 2033, 2035, 2037, 2039 and 2041 are subject to mandatory redemption beginning September 1, 2029, 2032, 2034, 2036, 2038 and 2040.

The following table summarizes the changes in bonds payable for the current fiscal year:

	<u>September 1, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>August 31, 2024</u>
Bonds Payable	\$ 10,090,000	\$ 4,575,000	\$ 365,000	\$ 14,300,000
Unamortized Discounts	(141,587)	(13,236)	(6,221)	(148,602)
Unamortized Premiums	205,829		8,399	197,430
Bonds Payable, Net	<u>\$ 10,154,242</u>	<u>\$ 4,561,764</u>	<u>\$ 367,178</u>	<u>\$ 14,348,828</u>
		Amount Due Within One Year		\$ 395,000
		Amount Due After One Year		<u>13,953,828</u>
		Bonds Payable, Net		<u>\$ 14,348,828</u>

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 9B
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 3. LONG-TERM DEBT (Continued)

As of August 31, 2024, the debt service requirements on the bonds outstanding were as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 395,000	\$ 516,686	\$ 911,686
2026	410,000	498,417	908,417
2027	420,000	479,498	899,498
2028	440,000	459,892	899,892
2029	455,000	440,123	895,123
2030-2034	2,530,000	1,959,767	4,489,767
2035-2039	3,060,000	1,513,486	4,573,486
2040-2044	3,695,000	948,466	4,643,466
2045-2048	2,895,000	259,637	3,154,637
	<u>\$ 14,300,000</u>	<u>\$ 7,075,972</u>	<u>\$ 21,375,972</u>

The District has authorized but unissued utility bonds in the amount of \$82,425,000, authorized but unissued road bonds in the amount of \$44,610,000, and authorized but unissued park and recreational facilities bonds in the amount of \$8,000,000. The District also has authorized but unissued refunding utility bonds in the amount of \$133,500,000, authorized but unissued refunding road bonds in the amount of \$79,500,000, and authorized but unissued refunding park and recreational facilities bonds in the amount of \$12,000,000.

For the year ended August 31, 2024, the District levied an ad valorem debt service tax rate of \$0.245 and a road debt service tax rate of \$0.33 per \$100 of assessed valuation, which resulted in a tax levy of \$922,222 on the adjusted taxable valuation of \$160,386,438 for the 2023 tax year. The bond orders require the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. See Note 7 for the maintenance tax levy.

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

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 9B
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 4. SIGNIFICANT BOND RESOLUTIONS AND LEGAL REQUIREMENTS

The bond orders state that the District is required to provide continuing disclosure of certain general financial information and operating data to certain information repositories. This information is of the general type included in the audited annual financial statements, is to be provided within six months after the end of each fiscal year and shall continue to be provided through the life of the bonds.

The District has covenanted that it will take all necessary steps to comply with the requirement that rebatable arbitrage earnings on the investment of the gross proceeds of the bonds, within the meaning of Section 148(f) of the Internal Revenue Code, be rebated to the federal government.

NOTE 5. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes. Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District's deposits was \$693,853 and the bank balance was \$694,573. Of the bank balance, \$530,812 was covered by federal depository insurance and the remaining was covered by pledged collateral held by a third party. The District was not exposed to custodial credit risk at year-end.

The carrying values of the deposits at year end are summarized in the following table:

	<u>Cash</u>
GENERAL FUND	\$ 48,260
DEBT SERVICE FUND	402,023
CAPITAL PROJECTS FUND	<u>243,570</u>
TOTAL DEPOSITS	<u>\$ 693,853</u>

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 9B
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments

Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all District funds must be invested in accordance with the following investment objectives: understanding the suitability of the investment to the District's financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if the need arises to liquidate the investment before maturity, fourth; diversification of the investment portfolio, fifth; and yield, sixth. The District's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." No person may invest District funds without express written authority from the Board of Directors.

Texas statutes include specifications for and limitations applicable to the District and its authority to purchase investments as defined in the Public Funds Investment Act. The District has adopted a written investment policy to establish the guidelines by which it may invest. This policy is reviewed annually. The District's investment policy may be more restrictive than the Public Funds Investment Act.

The District invests in Texas Cooperative Liquid Assets Securities System Trust ("Texas CLASS"), an external public funds investment pool that is not SEC-registered. Public Trust Advisors, LLC serves as the pool's administrator and investment advisor. The pool is subject to the general supervision of the Board of Trustees and its Advisory Board. UMB Bank, N.A. serves as custodian for the pool. Investments held by Texas CLASS are priced to market on a weekly basis. The investments are considered to be Level I investments because their fair value is measured by quoted prices in active markets. The fair value of the District's position in the pool is the same as the value of the pool shares. There are no limitations or restrictions on withdrawals from Texas CLASS.

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 9B
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

As of August 31, 2024, the District had the following investment and maturity:

Fund and Investment Type	Fair Value	Maturities of Less Than 1 Year
<u>GENERAL FUND</u>		
Texas CLASS	<u>\$ 499,307</u>	<u>\$ 499,307</u>

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At August 31, 2024, the District's investment in Texas CLASS was rated "AAAm" by Standard and Poor's.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investments in Texas CLASS to have a maturity of less than one year due to the fact the share position can usually be redeemed each day at the discretion of the District, unless there has been a significant change in value.

Restrictions

All cash and investments of the Debt Service Fund are restricted for the payment of debt service and the cost of assessing and collecting taxes.

All cash and investments of the Capital Projects Fund are restricted for the purchase of capital assets.

NOTE 6. CAPITAL ASSETS

Water and sewer infrastructure constructed by the Developers is conveyed to Quadvest for ownership and maintenance (see Note 10) for the purpose of providing water service and wastewater service to District residents. The District is entitled to significant residual interest in the facilities conveyed and continues to record these facilities as District assets and records depreciation on these facilities pursuant to GASB Statement No. 94. The reclassification of these assets from intangible to capital resulted in an adjustment to prior year accumulated depreciation of \$376,547.

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 9B
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 6. CAPITAL ASSETS (Continued)

Capital asset activity for the current fiscal year is summarized in the following table:

	September 1, 2023 *	Increases	Decreases	August 31, 2024
Capital Assets Not Being Depreciated				
Land and Land Improvements	\$ 276,593	\$ -0-	\$ -0-	\$ 276,593
Capital Assets Subject to Depreciation				
Water System	\$ 1,751,545	\$	\$	\$ 1,751,545
Wastewater System	3,095,448			3,095,448
Detention and Drainage Infrastructure	10,907,123			10,907,123
Total Capital Assets Subject to Depreciation	\$ 15,754,116	\$ -0-	\$ -0-	\$ 15,754,116
Less Accumulated Depreciation				
Water System	\$ 123,782	\$ 39,030	\$	\$ 162,812
Wastewater System	252,765	68,976		321,741
Detention and Drainage Infrastructure	756,711	243,045		999,756
Total Accumulated Depreciation	\$ 1,133,258	\$ 351,051	\$ -0-	\$ 1,484,309
Total Depreciable Capital Assets, Net of Accumulated Depreciation	\$ 14,620,858	\$ (351,051)	\$ -0-	\$ 14,269,807
Total Capital Assets, Net of Accumulated Depreciation	\$ 14,897,451	\$ (351,051)	\$ -0-	\$ 14,546,400

* As restated

NOTE 7. MAINTENANCE TAX

On November 7, 2017, the voters of the District approved the levy and collection of a maintenance tax not to exceed \$1.50 per \$100 of assessed valuation of taxable property within the District. During the year ended August 31, 2024, the District levied an ad valorem maintenance tax rate of \$0.165 per \$100 assessed valuation, which resulted in an adjusted tax levy of \$264,637 on the adjusted taxable valuation of \$160,386,438 for the 2023 tax year.

On November 7, 2017, the voters of the District also approved the levy and collection of a parks and recreational facilities tax not to exceed \$0.10 per \$100 of assessed valuation of taxable property within the District. No such tax has been levied to date.

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 9B
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2024

NOTE 8. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and construction of assets, errors and omissions and natural disasters for which the District carries, commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past year.

NOTE 9. UNREIMBURSED COSTS

The District has entered into certain financing and reimbursement agreements with Developers within the District which provide for the Developers to make payments on behalf of the District for various projects and operating advances. The District has an obligation to reimburse the Developers for these costs from future bond issues to the extent approved by the Commission. The following table summarizes the current year activity related to unreimbursed costs for completed projects and operating advances:

Due to Developers, beginning of year	\$ 15,379,424
Additions	1,982,971
Reimbursements	<u>(3,634,606)</u>
Due to Developers, end of year	<u>\$ 13,727,789</u>

NOTE 10. WATER AND WASTEWATER SERVICE PROVIDER

The District finances and constructs the water and wastewater infrastructure needed to serve residents of the District. Upon completion, these facilities are conveyed to Quadvest, L.P. ("Quadvest"). Quadvest owns, maintains, and operates the facilities for the benefit of District residents and charges and collects the fees associated with operating the system. Quadvest operates under water CCN 11612 and sewer CCN 20952.

NOTE 11. BOND SALES

On October 17, 2023, the District issued its \$4,575,000 Series 2023 Unlimited Tax Road Bonds. Proceeds from the bonds were used to reimburse the Developer for construction costs for paving serving Freeman Ranch, Sections 3 and 4. The District also utilized bond proceeds to pay for capitalized interest, Developer interest and bond issuance costs.

On October 11, 2024, subsequent to year end, the District issued its \$2,565,000 Series 2024 Unlimited Tax Road Bonds. Proceeds from the bonds were used to reimburse the Developer for construction costs for paving serving Freeman Ranch, Sections 4 and 5. The District also utilized bond proceeds to pay for capitalized interest, Developer interest and bond issuance costs.

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 9B

REQUIRED SUPPLEMENTARY INFORMATION

AUGUST 31, 2024

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 9B
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	\$ 260,200	\$ 263,681	\$ 3,481
Investment and Miscellaneous Revenues	<u>5,100</u>	<u>14,346</u>	<u>9,246</u>
TOTAL REVENUES	<u>\$ 265,300</u>	<u>\$ 278,027</u>	<u>\$ 12,727</u>
EXPENDITURES			
Service Operations:			
Professional Fees	\$ 83,500	\$ 70,741	\$ 12,759
Contracted Services	10,800	12,588	(1,788)
Repairs and Maintenance	125,000	27,648	97,352
Other	<u>28,886</u>	<u>13,056</u>	<u>15,830</u>
TOTAL EXPENDITURES	<u>\$ 248,186</u>	<u>\$ 124,033</u>	<u>\$ 124,153</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 17,114</u>	<u>\$ 153,994</u>	<u>\$ 136,880</u>
OTHER FINANCING SOURCES			
Transfer In	<u>\$ -0-</u>	<u>\$ 44,000</u>	<u>\$ 44,000</u>
NET CHANGE IN FUND BALANCE	\$ 17,114	\$ 197,994	\$ 180,880
FUND BALANCE - SEPTEMBER 1, 2023	<u>348,911</u>	<u>348,911</u>	
FUND BALANCE - AUGUST 31, 2024	<u><u>\$ 366,025</u></u>	<u><u>\$ 546,905</u></u>	<u><u>\$ 180,880</u></u>

See accompanying independent auditor's report.

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 9B

SUPPLEMENTARY INFORMATION – REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

AUGUST 31, 2024

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 9B
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED AUGUST 31, 2024

PROFESSIONAL FEES:

Auditing	\$ 14,500
Engineering	17,144
Legal	39,097
TOTAL PROFESSIONAL FEES	<u>\$ 70,741</u>

CONTRACTED SERVICES:

Bookkeeping	<u>\$ 12,588</u>
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REPAIRS AND MAINTENANCE	<u>\$ 27,648</u>
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ADMINISTRATIVE EXPENDITURES:

Director Fees, Including Payroll Taxes	\$ 6,865
Insurance	3,157
Travel and Meetings	689
Website	755
Dues, Service Charges and Other	1,590
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 13,056</u>

TOTAL EXPENDITURES	<u>\$ 124,033</u>
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See accompanying independent auditor's report.

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 9B
INVESTMENTS
AUGUST 31, 2024

<u>Fund</u>	<u>Identification or Certificate Number</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at End of Year</u>	<u>Accrued Interest Receivable at End of Year</u>
<u>GENERAL FUND</u>					
Texas CLASS	XXXX0001	Varies	Daily	\$ 499,307	\$ -0-
TOTAL GENERAL FUND				\$ 499,307	\$ -0-

See accompanying independent auditor's report.

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 9B
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED AUGUST 31, 2024

	<u>Maintenance Taxes</u>		<u>Debt Service Taxes</u>	
TAXES RECEIVABLE -				
SEPTEMBER 1, 2023	\$ 4,538		\$ 7,425	
Adjustments to Beginning Balance	<u>(1,756)</u>	\$ 2,782	<u>(437)</u>	\$ 6,988
Original 2023 Tax Levy	\$ 265,487		\$ 925,181	
Adjustment to 2023 Tax Levy	<u>(849)</u>	<u>264,637</u>	<u>(2,959)</u>	<u>922,222</u>
TOTAL TO BE ACCOUNTED FOR		\$ 267,419		\$ 929,210
TAX COLLECTIONS:				
Prior Year	\$ 1,981		\$ 5,417	
Current Year	<u>261,700</u>	<u>263,681</u>	<u>911,986</u>	<u>917,403</u>
TAXES RECEIVABLE -				
AUGUST 31, 2024		<u>\$ 3,738</u>		<u>\$ 11,807</u>
TAXES RECEIVABLE BY YEAR:				
2023		\$ 2,937		\$ 10,236
2022		<u>801</u>		<u>1,571</u>
TOTAL		<u>\$ 3,738</u>		<u>\$ 11,807</u>

See accompanying independent auditor's report.

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 9B
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED AUGUST 31, 2024

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
PROPERTY VALUATIONS:				
Land	\$ 21,024,637	\$ 19,988,565	\$ 14,985,295	\$ 13,334,364
Improvements	151,071,689	88,699,121	62,143,062	27,825,998
Personal Property	224,824	165,864	4,761	20,900
Exemptions	<u>(11,934,712)</u>	<u>(3,445,520)</u>	<u>(1,609,048)</u>	<u>(386,648)</u>
TOTAL PROPERTY VALUATIONS	<u>\$ 160,386,438</u>	<u>\$ 105,408,030</u>	<u>\$ 75,524,070</u>	<u>\$ 40,794,614</u>
TAX RATES PER \$100 VALUATION:				
Debt Service	\$ 0.575	\$ 0.51	\$ 0.25	\$ 0.00
Maintenance	<u>0.165</u>	<u>0.26</u>	<u>0.52</u>	<u>0.77</u>
TOTAL TAX RATES PER \$100 VALUATION	<u>\$ 0.740</u>	<u>\$ 0.77</u>	<u>\$ 0.77</u>	<u>\$ 0.77</u>
ADJUSTED TAX LEVY*	<u>\$ 1,186,859</u>	<u>\$ 811,642</u>	<u>\$ 581,535</u>	<u>\$ 314,119</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>98.89 %</u>	<u>99.71 %</u>	<u>100.00 %</u>	<u>100.00 %</u>

* Based upon adjusted tax at time of audit for the period in which the tax was levied.

Maintenance Tax – Maximum tax rate of \$1.50 per \$100 of assessed valuation approved by voters on November 7, 2017.

Parks and Recreational Facilities Tax – Maximum tax rate of \$0.10 per \$100 of assessed valuation approved by voters on November 7, 2017

See accompanying independent auditor's report.

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 9B
LONG-TERM DEBT SERVICE REQUIREMENTS
AUGUST 31, 2024

S E R I E S - 2 0 2 1 U T I L I T Y				
Due During Fiscal Years Ending August 31	Principal Due September 1	Interest Due March 1/ September 1	Total	
2025	\$ 100,000	\$ 76,868	\$	176,868
2026	105,000	74,868		179,868
2027	105,000	72,768		177,768
2028	110,000	71,035		181,035
2029	115,000	69,055		184,055
2030	115,000	66,870		181,870
2031	120,000	64,570		184,570
2032	125,000	62,170		187,170
2033	130,000	59,545		189,545
2034	130,000	56,685		186,685
2035	135,000	53,695		188,695
2036	140,000	50,455		190,455
2037	145,000	46,955		191,955
2038	150,000	43,258		193,258
2039	155,000	39,358		194,358
2040	160,000	35,250		195,250
2041	165,000	30,930		195,930
2042	170,000	26,310		196,310
2043	175,000	21,550		196,550
2044	180,000	16,650		196,650
2045	185,000	11,250		196,250
2046	190,000	5,700		195,700
2047				
2048				
	<u>\$ 3,105,000</u>	<u>\$ 1,055,795</u>	<u>\$</u>	<u>4,160,795</u>

The District records the amount due September 1 as an expenditure in the prior fiscal year (see Note 2). This schedule shows the amounts expended within the fiscal years assuming this practice will continue in the future.

See accompanying independent auditor's report.

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 9B
LONG-TERM DEBT SERVICE REQUIREMENTS
AUGUST 31, 2024

S E R I E S - 2 0 2 1 R O A D				
Due During Fiscal Years Ending August 31	Principal Due September 1	Interest Due March 1/ September 1	Total	
2025	\$ 115,000	\$ 107,144	\$	222,144
2026	120,000	101,394		221,394
2027	120,000	95,394		215,394
2028	125,000	89,394		214,394
2029	130,000	84,081		214,081
2030	130,000	80,181		210,181
2031	135,000	76,931		211,931
2032	140,000	73,556		213,556
2033	140,000	69,356		209,356
2034	145,000	65,156		210,156
2035	150,000	60,806		210,806
2036	155,000	56,306		211,306
2037	160,000	52,238		212,238
2038	165,000	48,038		213,038
2039	165,000	43,706		208,706
2040	170,000	39,375		209,375
2041	175,000	34,913		209,913
2042	180,000	30,319		210,319
2043	185,000	25,594		210,594
2044	190,000	20,738		210,738
2045	195,000	15,750		210,750
2046	200,000	10,631		210,631
2047	205,000	5,381		210,381
2048				
	<u>\$ 3,595,000</u>	<u>\$ 1,286,382</u>	<u>\$</u>	<u>4,881,382</u>

The District records the amount due September 1 as an expenditure in the prior fiscal year (see Note 2). This schedule shows the amounts expended within the fiscal years assuming this practice will continue in the future.

See accompanying independent auditor's report.

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 9B
LONG-TERM DEBT SERVICE REQUIREMENTS
AUGUST 31, 2024

S E R I E S - 2 0 2 3 U T I L I T Y				
Due During Fiscal Years Ending August 31	Principal Due September 1	Interest Due March 1/ September 1	Total	
2025	\$ 75,000	\$ 128,181	\$	203,181
2026	75,000	123,962		198,962
2027	80,000	119,743		199,743
2028	85,000	115,344		200,344
2029	85,000	110,668		195,668
2030	90,000	105,994		195,994
2031	95,000	101,044		196,044
2032	100,000	98,076		198,076
2033	105,000	94,950		199,950
2034	110,000	91,538		201,538
2035	115,000	87,826		202,826
2036	120,000	83,800		203,800
2037	125,000	79,000		204,000
2038	130,000	74,000		204,000
2039	140,000	68,800		208,800
2040	145,000	63,200		208,200
2041	150,000	57,400		207,400
2042	160,000	51,400		211,400
2043	165,000	45,000		210,000
2044	175,000	38,400		213,400
2045	185,000	31,400		216,400
2046	190,000	24,000		214,000
2047	200,000	16,400		216,400
2048	210,000	8,400		218,400
	<u>\$ 3,110,000</u>	<u>\$ 1,818,526</u>	<u>\$</u>	<u>4,928,526</u>

The District records the amount due September 1 as an expenditure in the prior fiscal year (see Note 2). This schedule shows the amounts expended within the fiscal years assuming this practice will continue in the future.

See accompanying independent auditor's report.

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 9B
LONG-TERM DEBT SERVICE REQUIREMENTS
AUGUST 31, 2024

S E R I E S - 2 0 2 3 R O A D			
Due During Fiscal Years Ending August 31	Principal Due September 1	Interest Due March 1/ September 1	Total
2025	\$ 105,000	\$ 204,493	\$ 309,493
2026	110,000	198,193	308,193
2027	115,000	191,593	306,593
2028	120,000	184,119	304,119
2029	125,000	176,319	301,319
2030	130,000	170,695	300,695
2031	135,000	164,843	299,843
2032	145,000	158,769	303,769
2033	150,000	152,607	302,607
2034	160,000	146,231	306,231
2035	165,000	139,631	304,631
2036	175,000	132,825	307,825
2037	180,000	125,388	305,388
2038	190,000	117,738	307,738
2039	200,000	109,663	309,663
2040	210,000	101,163	311,163
2041	220,000	92,237	312,237
2042	230,000	82,887	312,887
2043	240,000	72,825	312,825
2044	250,000	62,325	312,325
2045	265,000	51,075	316,075
2046	275,000	39,150	314,150
2047	290,000	26,775	316,775
2048	305,000	13,725	318,725
	<u>\$ 4,490,000</u>	<u>\$ 2,915,269</u>	<u>\$ 7,405,269</u>

The District records the amount due September 1 as an expenditure in the prior fiscal year (see Note 2). This schedule shows the amounts expended within the fiscal years assuming this practice will continue in the future.

See accompanying independent auditor's report.

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 9B
LONG-TERM DEBT SERVICE REQUIREMENTS
AUGUST 31, 2024

ANNUAL REQUIREMENTS FOR ALL SERIES			
Due During Fiscal Years Ending August 31	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2025	\$ 395,000	\$ 516,686	\$ 911,686
2026	410,000	498,417	908,417
2027	420,000	479,498	899,498
2028	440,000	459,892	899,892
2029	455,000	440,123	895,123
2030	465,000	423,740	888,740
2031	485,000	407,388	892,388
2032	510,000	392,571	902,571
2033	525,000	376,458	901,458
2034	545,000	359,610	904,610
2035	565,000	341,958	906,958
2036	590,000	323,386	913,386
2037	610,000	303,581	913,581
2038	635,000	283,034	918,034
2039	660,000	261,527	921,527
2040	685,000	238,988	923,988
2041	710,000	215,480	925,480
2042	740,000	190,916	930,916
2043	765,000	164,969	929,969
2044	795,000	138,113	933,113
2045	830,000	109,475	939,475
2046	855,000	79,481	934,481
2047	695,000	48,556	743,556
2048	515,000	22,125	537,125
	\$ 14,300,000	\$ 7,075,972	\$ 21,375,972

The District records the amount due September 1 as an expenditure in the prior fiscal year (see Note 2). This schedule shows the amounts expended within the fiscal years assuming this practice will continue in the future.

See accompanying independent auditor's report.

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 9B
CHANGES IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED AUGUST 31, 2024

Description	Original Bonds Issued	Bonds Outstanding September 1, 2023
Waller County Municipal Utility District No. 9B Unlimited Tax Bonds - Series 2021	\$ 3,395,000	\$ 3,205,000
Waller County Municipal Utility District No. 9B Unlimited Tax Road Bonds - Series 2021	3,815,000	3,705,000
Waller County Municipal Utility District No. 9B Unlimited Tax Bonds - Series 2023	3,180,000	3,180,000
Waller County Municipal Utility District No. 9B Unlimited Tax Road Bonds - Series 2023	<u>4,575,000</u>	
TOTAL	<u>\$ 14,965,000</u>	<u>\$ 10,090,000</u>

Bond Authority:	Utility Facilities	Utility Refunding Bonds	Road Bonds
Amount Authorized by Voters	\$ 89,000,000	\$ 133,500,000	\$ 53,000,000
Amount Issued	<u>6,575,000</u>		<u>8,390,000</u>
Remaining to be Issued	<u>\$ 82,425,000</u>	<u>\$ 133,500,000</u>	<u>\$ 44,610,000</u>

Debt Service Fund cash balance as of August 31, 2024: \$ 402,023

Average annual debt service payment for remaining term of all bond debt: \$ 890,666

See Note 3 for interest rates, interest payment dates and maturity dates.

See accompanying independent auditor's report.

Current Year Transactions				
Bonds Sold	Retirements		Bonds Outstanding August 31, 2024	Paying Agent
	Principal	Interest		
\$	\$ 100,000	\$ 78,868	\$ 3,105,000	Zions Bancorporation Houston, TX
	110,000	112,644	3,595,000	Zions Bancorporation Houston, TX
	70,000	132,118	3,110,000	Zions Bancorporation Houston, TX
<u>4,575,000</u>	<u>85,000</u>	<u>182,812</u>	<u>4,490,000</u>	Zions Bancorporation Houston, TX
<u>\$ 4,575,000</u>	<u>\$ 365,000</u>	<u>\$ 506,442</u>	<u>\$ 14,300,000</u>	
Road Refunding Bonds	Park Bonds	Park Refunding Bonds		
\$ 79,500,000	\$ 8,000,000	\$ 12,000,000		
<u>\$ 79,500,000</u>	<u>\$ 8,000,000</u>	<u>\$ 12,000,000</u>		

See accompanying independent auditor's report.

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 9B
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - FIVE YEARS

	Amounts		
	2024	2023	2022
REVENUES			
Property Taxes	\$ 263,681	\$ 271,713	\$ 393,170
Investment and Miscellaneous Revenues	14,346	10,120	1,138
TOTAL REVENUES	<u>\$ 278,027</u>	<u>\$ 281,833</u>	<u>\$ 394,308</u>
EXPENDITURES			
Professional Fees	\$ 70,741	\$ 80,576	\$ 66,075
Contracted Services	12,588	11,265	11,185
Repairs and Maintenance	27,648	197,225	53,337
Other	13,056	12,238	19,542
TOTAL EXPENDITURES	<u>\$ 124,033</u>	<u>\$ 301,304</u>	<u>\$ 150,139</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 153,994</u>	<u>\$ (19,471)</u>	<u>\$ 244,169</u>
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	\$ 44,000	\$	\$ (88,500)
Developer Advances			
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 44,000</u>	<u>\$ - 0 -</u>	<u>\$ (88,500)</u>
NET CHANGE IN FUND BALANCE	\$ 197,994	\$ (19,471)	\$ 155,669
BEGINNING FUND BALANCE / (DEFICIT)	<u>348,911</u>	<u>368,382</u>	<u>212,713</u>
ENDING FUND BALANCE / (DEFICIT)	<u>\$ 546,905</u>	<u>\$ 348,911</u>	<u>\$ 368,382</u>

See accompanying independent auditor's report.

		Percentage of Total Revenues							
2021	2020	2024	2023	2022	2021	2020			
\$ 312,540	\$ 77,939	94.8 %	96.4 %	99.7 %	99.7 %	99.5 %			
868	366	5.2	3.6	0.3	0.3	0.5			
<u>\$ 313,408</u>	<u>\$ 78,305</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>			
\$ 63,553	\$ 81,673	25.5 %	28.5 %	16.8 %	20.3 %	104.3 %			
17,041	11,280	4.5	4.0	2.8	5.4	14.4			
63,151	86,521	9.9	70.0	13.5	20.1	110.5			
<u>15,572</u>	<u>12,123</u>	<u>4.7</u>	<u>4.3</u>	<u>5.0</u>	<u>5.0</u>	<u>15.5</u>			
<u>\$ 159,317</u>	<u>\$ 191,597</u>	<u>44.6 %</u>	<u>106.8 %</u>	<u>38.1 %</u>	<u>50.8 %</u>	<u>244.7 %</u>			
<u>\$ 154,091</u>	<u>\$ (113,292)</u>	<u>55.4 %</u>	<u>(6.8) %</u>	<u>61.9 %</u>	<u>49.2 %</u>	<u>(144.7) %</u>			
\$ 29,096	\$								
<u>34,000</u>	<u>92,000</u>								
<u>\$ 63,096</u>	<u>\$ 92,000</u>								
\$ 217,187	\$ (21,292)								
<u>(4,474)</u>	<u>16,818</u>								
<u>\$ 212,713</u>	<u>\$ (4,474)</u>								

See accompanying independent auditor's report.

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 9B
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND - FIVE YEARS

	Amounts		
	2024	2023	2022
REVENUES			
Property Taxes	\$ 917,403	\$ 531,209	\$ 187,741
Penalty, Interest and Other Revenues	<u>33,303</u>	<u>3,439</u>	<u>3,515</u>
TOTAL REVENUES	<u>\$ 950,706</u>	<u>\$ 534,648</u>	<u>\$ 191,256</u>
EXPENDITURES			
Tax Collection Expenditures	\$ 66,538	\$ 57,338	\$ 40,959
Debt Service Principal	365,000	205,000	95,000
Debt Service Interest and Fees	<u>508,242</u>	<u>262,835</u>	<u>175,987</u>
TOTAL EXPENDITURES	<u>\$ 939,780</u>	<u>\$ 525,173</u>	<u>\$ 311,946</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 10,926</u>	<u>\$ 9,475</u>	<u>\$ (120,690)</u>
OTHER FINANCING SOURCES			
Transfers In	\$	\$	\$ 88,500
Proceeds From Issuance of Long-Term Debt	<u>104,797</u>	<u>66,059</u>	<u>118,144</u>
TOTAL OTHER FINANCING SOURCES	<u>\$ 104,797</u>	<u>\$ 66,059</u>	<u>\$ 206,644</u>
NET CHANGE IN FUND BALANCE	\$ 115,723	\$ 75,534	\$ 85,954
BEGINNING FUND BALANCE	<u>261,849</u>	<u>186,315</u>	<u>100,361</u>
ENDING FUND BALANCE	<u><u>\$ 377,572</u></u>	<u><u>\$ 261,849</u></u>	<u><u>\$ 186,315</u></u>
TOTAL ACTIVE RETAIL WATER CONNECTIONS	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	<u><u>N/A</u></u>	<u><u>N/A</u></u>	<u><u>N/A</u></u>

See accompanying independent auditor's report.

		Percentage of Total Revenues									
2021	2020	2024	2023	2022	2021	2020					
\$	\$	96.5 %	99.4 %	98.2 %							
		3.5	0.6	1.8							
\$ - 0 -	\$ - 0 -	100.0 %	100.0 %	100.0 %	N/A	N/A					
\$ 30	\$	7.0 %	10.7 %	21.4 %							
		38.4	38.3	49.7							
23,193		53.5	49.2	92.0							
\$ 23,223	\$ - 0 -	98.9 %	98.2 %	163.1 %	N/A	N/A					
\$ (23,223)	\$ - 0 -	1.1 %	1.8 %	(63.1) %	N/A	N/A					
\$	\$										
123,584											
\$ 123,584	\$ - 0 -										
\$ 100,361	\$ - 0 -										
\$ 100,361	\$ - 0 -										
N/A	N/A										
N/A	N/A										

See accompanying independent auditor's report.

District Mailing Address - Waller County Municipal Utility District No. 9B
c/o Sanford Kuhl Hagan Kugle Parker Kahn LLP
1330 Post Oak Boulevard, Suite 2650
Houston, TX 77056

District Telephone Number - (713) 850-9000

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WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 9B
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
AUGUST 31, 2024

Consultants:	Date Hired	Fees for the year ended August 31, 2024	Title
Sanford Kuhl Hagan Kugle Parker Kahn LLP	08/21/17	\$ 39,097 \$ 132,296	General Counsel Bond Counsel
McCall Gibson Swedlund Barfoot PLLC	06/18/19	\$ 14,500 \$ 17,000	Auditor Bond/AUP Related
L & S District Services, LLC	08/21/17	\$ 12,588 \$ 900	Bookkeeper Bond Related
Pape-Dawson Engineers, Inc.	08/21/17	\$ 17,144	Engineer
Debra Loggins	10/27/18	\$ -0-	Investment Officer
Robert W. Baird & Co. Incorporated	08/21/17	\$ 93,231	Financial Advisor
Mike Arterburn - Utility Tax Service, LLC	08/21/17	\$ 42,998	Tax Assessor/ Collector
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	02/23/21	\$ 2,504	Delinquent Tax Attorney

See accompanying independent auditor's report.

APPENDIX B
SPECIMEN MUNICIPAL BOND INSURANCE POLICY



MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

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

Effective Date: _____

Risk Premium: \$ _____

Member Surplus Contribution: \$ _____

Total Insurance Payment: \$ _____

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

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

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

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

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

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

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

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

1 World Financial Center, 27th floor
200 Liberty Street
New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN