PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 6, 2026

This PRELIMINARY OFFICIAL STATEMENT is subject to completion and amendment and is intended solely for the solicitation of initial bids to purchase the Bonds. Upon sale of the Bonds, the OFFICIAL STATEMENT will be completed and delivered to the Underwriter.

IN THE OPINION OF BOND COUNSEL, UNDER EXISTING LAW, INTEREST ON THE BONDS (i) IS EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES UNDER SECTION 103 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, AND (ii) IS NOT AN ITEM OF TAX PREFERENCE FOR PURPOSES OF THE ALTERNATIVE MINIMUM TAX ON INDIVIDUALS. SEE "TAX MATTERS" HEREIN, INCLUDING INFORMATION REGARDING POTENTIAL ALTERNATIVE MINIMUM TAX CONSEQUENCES FOR CORPORATIONS.

THE BONDS WILL BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS.

NEW ISSUE-Book-Entry Only

Underlying Rating: Moody's "Baa2"
See "MUNICIPAL BOND RATING AND MUNICIPAL BOND INSURANCE" herein.

$4,000,000

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 162

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

UNLIMITED TAX BONDS
SERIES 2026

The bonds described above (the "Bonds") are obligations solely of Fort Bend County Municipal Utility District No. 162 (the "District") and are not obligations of the State of Texas, Fort Bend County, the City of Rosenberg, or any entity other than the District.

The Bonds, when issued, will constitute valid and legally binding obligations of the District and will be payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property within the District. THE BONDS ARE SUBJECT TO INVESTMENT CONSIDERATIONS DESCRIBED HEREIN. See "INVESTMENT CONSIDERATIONS."

Dated Date: September 1, 2026 **Due: March 1, as shown below**
Interest Accrual Date: Date of Delivery

Principal of the Bonds is payable at maturity or earlier redemption at the principal payment office of the paying agent/registrar, initially, The Bank of New York Mellon Trust Company, N.A., Houston, Texas (the "Paying Agent/Registrar"), upon surrender of the Bonds for payment. Interest on the Bonds accrues from the initial date of delivery (expected on or about September 22, 2026) (the "Date of Delivery"), and is payable each March 1 and September 1, commencing March 1, 2027, until maturity or prior redemption. The Bonds will be issued only in fully registered form in denominations of $5,000 each or integral multiples thereof. The Bonds are subject to redemption prior to their maturity, as shown below.

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

MATURITY SCHEDULE

Principal Amount(a)	Maturity (March 1)	CUSIP Number(c)	Interest Rate	Initial Reoffering Yield(d)	Principal Amount(a)	Maturity (March 1)	CUSIP Number(c)	Interest Rate	Initial Reoffering Yield(d)
$ 100,000	2029		%	%	$ 175,000	2041 (b)		%	%
105,000	2030				180,000	2042 (b)			
110,000	2031				190,000	2043 (b)			
115,000	2032				200,000	2044 (b)			
120,000	2033 (b)				210,000	2045 (b)			
125,000	2034 (b)				220,000	2046 (b)			
130,000	2035 (b)				230,000	2047 (b)			
135,000	2036 (b)				240,000	2048 (b)			
145,000	2037 (b)				255,000	2049 (b)			
150,000	2038 (b)				265,000	2050 (b)			
155,000	2039 (b)				280,000	2051 (b)			
165,000	2040 (b)								

(a) The Underwriter may designate one or more maturities of term bonds. See accompanying "OFFICIAL NOTICE OF SALE" and "OFFICIAL BID FORM."
(b) Bonds maturing on or after March 1, 2033, are subject to redemption at the option of the District prior to their maturity dates in whole, or from time to time in part, on March 1, 2032, or on any date thereafter at a price of par value plus unpaid accrued interest from the most recent Interest Payment Date (as herein defined) to the date fixed for redemption. See "THE BONDS—Redemption Provisions."
(c) CUSIP Numbers have been assigned to the Bonds by CUSIP Global Services and are included solely for the convenience of the purchasers of the Bonds. Neither the District nor the Underwriter shall be responsible for the selection or correctness of the CUSIP Numbers set forth herein.
(d) Initial reoffering yield represents the initial offering yield to the public, which has been established by the Underwriter (as herein defined) for offers to the public and which subsequently may be changed.

The Bonds are offered by the Underwriter subject to prior sale, when, as and if issued by the District and accepted by the Underwriter, subject, among other things, to the approval of the Bonds by the Attorney General of Texas and the approval of certain legal matters by Allen Boone Humphries Robinson LLP, Houston, Texas, Bond Counsel. See "LEGAL MATTERS." Delivery of the Bonds in book-entry form through the facilities of DTC is expected on or about September 22, 2026.

Bids Due: Thursday, August 20, 2026, at 1:00 P.M., Houston Time in Houston, Texas
Bid Award: Thursday, August 20, 2026, at 5:00 P.M., Houston Time in Rosenberg, Texas

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USE OF INFORMATION IN OFFICIAL STATEMENT

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, as amended and in effect on the date hereof, this document constitutes an Official Statement with respect to the Bonds that has been "deemed final" by the District as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

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

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

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

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this OFFICIAL STATEMENT for purposes of, and as that term is defined in, SEC Rule 15c2-12, as amended.

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

SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the Bonds, the District accepted the bid resulting in the lowest net effective interest rate, which bid was tendered by _______________ (the "Underwriter") bearing the interest rates shown on the cover page hereof, at a price of ____________% of the par value thereof which resulted in a net effective interest rate of _______%, as calculated pursuant to Chapter 1204 of the Texas Government Code, as amended (the IBA method).

Prices and Marketability

The prices and other terms with respect to the offering and sale of the Bonds may be changed from time-to-time by the Underwriter 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 Underwriter 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 Securities and Exchange Commission under the Securities Act of 1933, as amended, in reliance upon the exemptions provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein and the Bonds have not been registered or qualified under the securities laws of any other jurisdiction. The District assumes no responsibility for registration or qualification of the Bonds under the securities laws of any other jurisdiction in which the Bonds may be offered, sold or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions in such other jurisdiction.

OFFICIAL STATEMENT SUMMARY

The following is a brief summary of certain information contained herein which is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this OFFICIAL STATEMENT. The summary should not be detached and should be used in conjunction with more complete information contained herein. A full review should be made of the entire OFFICIAL STATEMENT and of the documents summarized or described therein.

THE DISTRICT

Description... The District is a political subdivision of the State of Texas, created by order of the Texas Commission on Environmental Quality ("TCEQ") on August 31, 2005, and operates pursuant to Chapters 49 and 54 of the Texas Water Code, as amended. The District currently contains approximately 1,203 acres of land. Since August 21, 2025 the District has annexed approximately 128 acres into its boundaries. See "THE DISTRICT."

Location... The District is located approximately 30 miles southwest of the central downtown business district of the City of Houston and two miles southeast of the central business district of the City of Rosenberg (the "City") on Highway 59. The District lies wholly within the extraterritorial jurisdiction of the City and within the boundaries of the Lamar Consolidated Independent School District. The District is generally located near the intersection of U.S. Highway 59 and Farm-to-Market 2218, between Powerline Road and Koeblen Road. Access to the District is provided by U.S. Highway 59 to Farm-to-Market 2218 to Koeblen Road to Powerline Road. See "THE DISTRICT" and "AERIAL LOCATION MAP."

The Developers… The developer of Still Creek Ranch is Arenosa Development Powerline, LTD., a Texas limited partnership ("Arenosa") whose general partner is Arenosa Development, LLC, a Texas limited liability company. Arenosa has completed the development of Still Creek Ranch, Sections One, Two and Five consisting of 262 single-family residential lots on approximately 83 acres. Arenosa continues to own approximately 34 acres of developable but undeveloped land in the District. Arenosa sold approximately 46 acres to Lennar Homes of Texas Land and Construction, Ltd. ("Lennar Homes") for the development of single-family residential lots in Still Creek Ranch, Sections Three and Four. Lennar engaged Arenosa as the development manager for such sections and has completed the development of Sections Three and Four, consisting of 162 lots on approximately 46 acres. Lennar does not own any additional developable land in the District for future development.

The developer of Arabella on the Prairie is Beazer Homes Texas, L.P., a Delaware limited partnership ("Beazer Homes"). Beazer Homes has completed the development of Arabella on the Prairie, Sections One through Six consisting of 485 single-family residential lots on approximately 176 acres. Beazer Homes also constructed a recreation center on approximately three acres in Arabella on the Prairie. Arabella on the Prairie, Sections Seven and Eight, which will collectively consist of 119 single-family residential lots on approximately 47 acres, are currently under construction and expected to be completed by the fourth quarter of 2026. Upon completion of Arabella on the Prairie, Sections Seven and Eight, Beazer Homes will continue to own an additional approximately 142 acres of developable but undeveloped land in the District.

The developer of Windstone on the Prairie is D.R. Horton Texas Ltd., a Texas limited partnership ("D.R. Horton"). D.R. Horton has completed the construction of Windstone on the Prairie, Sections One through Three consisting of 264 single-family residential lots on approximately 94 acres and does not own any developable land in the District for future development. D.R. Horton has completed all homebuilding in Windstone on the Prairie, Sections One through Three.

Other individuals and/or entities own approximately 17 acres of developable land within the District. The District is not aware of any plans to develop such acreage at this time. See "THE DEVELOPERS—Major Property Owners."

Arenosa, Lennar Homes, Beazer Homes and D.R. Horton are collectively referred to herein as the "Developers. See "THE DEVELOPERS."

Status of Development... The District is being developed as the single-family residential subdivisions of Arabella on the Prairie, Windstone on the Prairie, Sunrise Meadow, Still Creek Ranch and Highland Meadows consisting of 2,300 single-family residential lots constructed on approximately 756 acres. As of July 11, 2026, 2,035 homes were completed (2,011 occupied), 104 homes were under construction or owned by a builder and 161 vacant developed lots were available for home construction. In addition, 119 single-family residential lots are under construction on approximately 47 acres in Arabella on the Prairie and are expected to be completed by the fourth quarter of 2026. Lamar Consolidated Independent School District owns approximately 134 acres developed as a high school, junior high school and middle school complex and approximately 28 acres developed as an elementary school and agricultural school complex. The school complexes, as tax-exempt entities, are not subject to the District's ad valorem property taxation. Commercial development in the District consists of a gas station constructed on approximately 5 acres. A recreation center has been constructed on approximately 3 acres in Arabella on the Prairie. Approximately 126 developable acres have not been provided with water, wastewater and storm drainage facilities, and approximately 104 acres within the District are not developable (public rights-of-way, recreation, detention, open spaces, easements and utility sites). See "THE DISTRICT—Land Use" and "—Status of Development."

Builders… Lennar Homes of Texas is actively marketing and constructing homes in Still Creek Ranch. Beazer Homes and Coventry Homes are actively marketing and constructing homes in Arabella on the Prairie. See "THE DISTRICT—Builders."

Park and Recreational Facilities… Park and recreational facilities constructed within the District include an amenity lake, pavilion, basketball court, playground, sidewalks, playing fields, a trail system and landscaping and monumentation enhancements. A recreation center has been constructed on approximately three acres in Arabella on the Prairie. See "PARK AND RECREATIONAL FACILITIES."

Payment Record... The District has previously issued $60,130,000 principal amount of unlimited tax bonds in eleven series for the purpose of purchasing and constructing water, wastewater and/or storm drainage facilities ("Water, Sewer, and Drainage Facilities"), $3,325,000 principal amount of unlimited tax bonds in two series for the purpose of purchasing and constructing park and recreational facilities and $6,190,000 principal amount of unlimited tax refunding bonds in two series for the purpose of refunding outstanding bonds of the District. The District has $55,235,000 principal amount of bonds outstanding (the "Outstanding Bonds") as of the date hereof. The District has never defaulted on its debt service obligations. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Outstanding Bonds."

THE BONDS

Description... The $4,000,000 Unlimited Tax Bonds, Series 2026 (the "Bonds") are being issued as fully registered bonds pursuant to a resolution authorizing the issuance of the Bonds (the "Bond Resolution") adopted by the District's Board of Directors (the "Board"). The Bonds are scheduled to mature serially on March 1 in each of the years 2029 through 2051, both inclusive, and in the principal amounts and accrue interest at the rates shown on the cover page hereof. Interest on the Bonds accrues from the Date of Delivery, and is payable March 1, 2027, and each September 1 and March 1 thereafter, until the earlier of stated maturity or redemption. The Bonds will be issued in denominations of $5,000 or integral multiples of $5,000. See "THE BONDS."

Book-Entry-Only System… The Depository Trust Company (defined as "DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds and will be deposited with DTC. See "BOOK-ENTRY-ONLY SYSTEM."

Redemption... Bonds maturing on or after March 1, 2033 are subject to redemption in whole, or from time to time in part, at the option of the District prior to their maturity dates on March 1, 2032, or on any date thereafter at a price of par value plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. See "THE BONDS—Redemption Provisions."

Use of Proceeds... Proceeds of the Bonds will be used to pay for the items shown herein under "USE AND DISTRIBUTION OF BOND PROCEEDS." In addition, Bond proceeds will be used to pay interest on funds advanced by the Developers and to pay administrative costs and certain other costs and engineering fees related to the issuance of the Bonds.

Authority for Issuance... The Bonds are the twelfth series of bonds issued out of an aggregate of $397,735,000 principal amount of unlimited tax bonds authorized by the District's voters for the purpose of purchasing and constructing water, wastewater and/or storm drainage facilities. The Bonds are issued by the District pursuant to an order of the TCEQ, the terms and conditions of the Bond Resolution, an election held within the District, Article XVI, Section 59 of the Texas Constitution, as amended, Chapters 49 and 54 of the Texas Water Code, as amended, and the general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas. See "THE BONDS—Authority for Issuance."

Source of Payment... Principal of and interest on the Bonds and the Outstanding Bonds are payable from the proceeds of a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property within the District. The Bonds are obligations of the District and are not obligations of the City, Fort Bend County, the State of Texas or any entity other than the District. See "THE BONDS—Source of Payment."

Municipal Bond Rating and Municipal Bond Insurance... Application has been made to Moody's Investors Service ("Moody's") for an underlying rating on the Bonds, and Moody's has assigned an underlying rating of "Baa2" to the Bonds. Application has also been made to various municipal bond insurance companies for qualification of the Bonds for municipal bond insurance. If qualified, such insurance will be available at the option of the Underwriter at the Underwriter's expense. The rating fee of Moody's will be paid for by the District; payment of any other rating fee will be the responsibility of the Underwriter. See "INVESTMENT CONSIDERATIONS—Risk Factors Related to the Purchase of Municipal Bond Insurance" and "MUNICIPAL BOND RATING AND MUNICIPAL BOND INSURANCE."

Qualified Tax-Exempt Obligations... The Bonds will be designated as "qualified tax-exempt obligations" for financial institutions. See "TAX MATTERS—Qualified Tax-Exempt Obligations."

Bond Counsel... Allen Boone Humphries Robinson LLP, Houston, Texas. See "MANAGEMENT OF THE DISTRICT," "LEGAL MATTERS" and "TAX MATTERS."

Financial Advisor... Masterson Advisors LLC, Houston, Texas. See "MANAGEMENT OF THE DISTRICT."

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

Paying Agent/Registrar... The Bank of New York Mellon Trust Company, N.A., Houston, Texas. See "THE BONDS—Method of Payment of Principal and Interest."

INVESTMENT CONSIDERATIONS

The purchase and ownership of the Bonds are subject to special investment considerations and all prospective purchasers are urged to examine carefully this entire OFFICIAL STATEMENT with respect to the investment security of the Bonds, including particularly the section captioned "INVESTMENT CONSIDERATIONS."

SELECTED FINANCIAL INFORMATION (UNAUDITED)

2026 Taxable Assessed Valuation	$610,871,951	(a)
Estimated Taxable Assessed Valuation as of June 1, 2026	$671,189,481	(b)
Gross Direct Debt Outstanding	$ 59,235,000	(c)
Estimated Overlapping Debt	67,141,042	(d)
Gross Direct Debt and Estimated Overlapping Debt	$126,376,042	(d)
Ratios of Gross Direct Debt to:		
2026 Taxable Assessed Valuation	9.70%	
Estimated Taxable Assessed Valuation as of June 1, 2026	8.83%	
Ratios of Gross Direct Debt and Estimated Overlapping Debt to:		
2026 Taxable Assessed Valuation	20.69%	
Estimated Taxable Assessed Valuation as of June 1, 2026	18.83%	
Debt Service Funds Available as of August 6, 2026	$4,984,708	(e)
Operating Funds Available as of August 6, 2026	$3,674,050	
Water, Sewer and Drainage Capital Projects Funds Available as of August 6, 2026	$3,729,855	
Park Capital Projects Funds Available as of August 6, 2026	$ 501,667	
Tax Increment Funds Available as of August 6, 2026	$1,332,839	(f)
2025 Debt Service Tax Rate	$0.6000	
2025 Maintenance Tax Rate	0.5000	
2025 Total Tax Rate	$1.1000	
Anticipated 2026 Debt Service Tax Rate	$0.7750	
Anticipated 2026 Maintenance Tax Rate	0.3728	
Anticipated 2026 Total Tax Rate	$1.1478	(g)
Average Annual Debt Service Requirement (2027-2051)	$3,296,666	(h)
Maximum Annual Debt Service Requirement (2027)	$4,774,117	(h)
Tax Rates Required to Pay Average Annual Debt Service (2027-2051) at a 95% Collection Rate		
Based upon 2026 Taxable Assessed Valuation	$0.57	(i)
Based upon Estimated Taxable Assessed Valuation as of June 1, 2026	$0.52	(i)
Tax Rates Required to Pay Maximum Annual Debt Service (2027) at a 95% Collection Rate		
Based upon 2026 Taxable Assessed Valuation	$0.83	(i)
Based upon Estimated Taxable Assessed Valuation as of June 1, 2026	$0.75	(i)
Status of Development as of July 11, 2026 (j):		
Homes Completed (2,011 Occupied)	2,035	
Homes Under Construction or Owned by a Builder	104	
Lots Available for Construction	161	
Lots Under Construction	119	(k)
Estimated Population	7,039	(l)

(a) The Fort Bend Central Appraisal District (the "Appraisal District") has certified $596,524,723 of taxable value and an additional $14,347,228 remains uncertified and subject to review and adjustment prior to certification. The 2026 Taxable Assessed Valuation shown herein is the certified value plus the uncertified value. See "TAXING PROCEDURES."

(b) Provided by the Appraisal District for informational purposes only. Such amount reflects an estimate of the taxable assessed value within the District on June 1, 2026. Increases in value that occur between January 1, 2026 and June 1, 2026 will be assessed for purposes of taxation on January 1, 2027. No tax will be levied on such amount until it is certified. See "TAXING PROCEDURES."

(c) Includes the Bonds and the Outstanding Bonds. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Outstanding Bonds."

(d) See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Estimated Overlapping Debt."

(e) Includes $3,130,344 for the District's September 1, 2026, debt service payment on the Outstanding Bonds.

(f) Funds in the Tax Increment Fund (defined herein) are restricted for payment of certain uses and TIRZ (defined herein) projects per the Tri-Party Agreement (defined herein). See "TRI-PARTY AGREEMENT."

(g) The District authorized publication of its intent to level a total tax rate of $1.1478 per $100 of taxable assessed valuation for tax year 2026, of which $0.7750 per $100 of taxable assessed valuation is allocated to debt service and $0.3728 per $100 of taxable assessed valuation is allocated to maintenance and operations. The District expects to adopt such tax rate in September. At that time, the Board of Directors of the District may decide to adopt a lower tax rate, but the total tax rate will not exceed $1.1478.

(h) See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Debt Service Requirements."

(i) See "TAX DATA—Tax Adequacy for Debt Service" and "INVESTMENT CONSIDERATIONS—Possible Impact on District Tax Rates."

(j) See "THE DISTRICT—Land Use" and "—Status of Development."

(k) Expected to be completed in the fourth quarter of 2026.

(l) Based upon 3.5 persons per occupied single-family residence.

PRELIMINARY OFFICIAL STATEMENT

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 162

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

$4,000,000

UNLIMITED TAX BONDS
SERIES 2026

This OFFICIAL STATEMENT provides certain information in connection with the issuance by Fort Bend County Municipal Utility District No. 162 (the "District") of its $4,000,000 Unlimited Tax Bonds, Series 2026 (the "Bonds").

The Bonds are issued by the District pursuant to an order of the Texas Commission on Environmental Quality (the "TCEQ"), the terms and conditions of the Bond Resolution, Article XVI, Section 59 of the Texas Constitution, as amended, Chapters 49 and 54 of the Texas Water Code, as amended, an election held within the District, and general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas.

This OFFICIAL STATEMENT includes descriptions, among others, of the Bonds and the Bond Resolution, and certain other information about the District, Arenosa Development Powerline, LTD., a Texas limited partnership ("Arenosa"), Lennar Homes of Texas Land and Construction, Ltd. ("Lennar Homes"), Beazer Homes Texas, L.P., a Delaware limited partnership ("Beazer Homes"), D.R. Horton Texas Ltd., a Texas limited partnership ("D.R. Horton") and development activity in the District. Arenosa, Lennar Homes, Beazer Homes and D.R. Horton are collectively referred to herein as the "Developers." All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each document. Copies of documents may be obtained from Allen Boone Humphries Robinson LLP, Bond Counsel, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027.

THE BONDS

Description

The Bonds will be dated September 1, 2026 and accrue interest from the Date of Delivery, with interest payable each March 1 and September 1, beginning March 1, 2027 (each, an "Interest Payment Date"), and will mature on the dates and in the principal amounts and accrue interest at the rates shown on the cover page hereof. The Bonds are issued in fully registered form, in denominations of $5,000 or any integral multiple of $5,000. Interest calculations are based on a 360-day year comprised of twelve 30-day months.

Method of Payment of Principal and Interest

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

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

Source of Payment

While the Bonds or any part of the principal thereof or interest thereon remains 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 appraised, levied and collected, in each year, a continuing direct annual ad valorem tax, without limit as to rate, 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 costs of collection. In the Bond Resolution, the District covenants that said taxes are irrevocably pledged to the payment of the interest on and principal of the Bonds and to no other purpose.

The Bonds are obligations of the District and are not the obligations of the State of Texas, Fort Bend County, the City of Rosenberg (the "City"), or any entity other than the District.

No Arbitrage

The District will certify as of the date the Bonds are delivered and paid for 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 in the Bond Resolution that it shall make such use of the proceeds of the Bonds, regulate investment of proceeds of the Bonds, and take such other and further actions and follow such procedures, including, without limitation, calculating the yield on the Bonds, as may be required so that the Bonds shall not become "arbitrage bonds" under the Code and the regulations prescribed from time to time thereunder.

Funds

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

The proceeds of sale of the Bonds shall be deposited into the Water, Sewer, and Drainage Capital Projects Fund, to be used for the purpose of paying and/or reimbursing Developers for certain costs related to the construction of District facilities, paying Developer interest and paying the costs of issuance of the Bonds. See "USE AND DISTRIBUTION OF BOND PROCEEDS" for a complete description of the use of Bond proceeds and the projects related thereto.

Redemption Provisions

The District reserves the right, at its option, to redeem the Bonds maturing on or after March 1, 2033, prior to their scheduled maturities, in whole or from time to time in part, in integral multiples of $5,000 on March 1, 2032, or any date thereafter, at a price of par value plus unpaid accrued interest on the principal amounts called for redemption from the most recent Interest Payment Date to the date fixed for redemption.

If less than all of the Bonds are redeemed at any time, the maturities of the Bonds to be redeemed will be selected by the District. If less than all of the Bonds of a certain maturity are to be redeemed, the particular Bonds to be redeemed shall be selected by the Paying Agent/Registrar by lot or other random method (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form).

If a Bond subject to redemption is in a denomination larger than $5,000, a portion of such Bond may be redeemed, but only in integral multiples of $5,000. Upon surrender of any Bond for redemption in part, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a Bond or Bonds of like maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

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

Authority for Issuance

At bond elections held within the District on November 8, 2005, November 5, 2019 and May 4, 2024, voters of the District authorized the issuance of an aggregate of $397,735,000 principal amount of unlimited tax bonds for the purpose of purchasing and constructing water, wastewater and/or storm drainage facilities. The Bonds are issued pursuant to the November 5, 2019 bond election. See "Issuance of Additional Debt" herein. The TCEQ has approved the issuance of the Bonds subject to certain restrictions, including the use of Bond proceeds as summarized in "USE AND DISTRIBUTION OF BOND PROCEEDS."

The Bonds are issued by the District pursuant to an order of the TCEQ, the terms and conditions of the Bond Resolution, Article XVI, Section 59 of the Texas Constitution, as amended, Chapters 49 and 54 of the Texas Water Code, as amended, the November 5, 2019 bond election and general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas.

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

Registration and Transfer

So long as any Bonds remain outstanding, the Paying Agent/Registrar shall keep the Register at its principal payment office and, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with the terms of the Bond Resolution.

In the event the Book-Entry-Only System should be discontinued, each Bond shall be transferable only upon the presentation and surrender of such Bond at the principal payment office of the Paying Agent/Registrar, duly endorsed for transfer, or accompanied by an assignment duly executed by the Registered Owner or his authorized representative in form satisfactory to the Paying Agent/Registrar. Upon due presentation of any Bond in proper form for transfer, the Paying Agent/Registrar has been directed by the District to authenticate and deliver in exchange therefor, within three (3) business days after such presentation, a new Bond or Bonds, registered in the name of the transferee or transferees, in authorized denominations and of the same maturity and aggregate principal amount and paying interest at the same rate as the Bond or Bonds so presented.

All Bonds shall be exchangeable upon presentation and surrender thereof at the principal payment office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate and in any authorized denomination in an aggregate amount equal to the unpaid principal amount of the Bond or Bonds presented for exchange. The Paying Agent/Registrar is authorized to authenticate and deliver exchange Bonds. Each Bond delivered shall be entitled to the benefits and security of the Bond Resolution to the same extent as the Bond or Bonds in lieu of which such Bond is delivered.

Neither the District nor the Paying Agent/Registrar shall be required to transfer or to exchange any Bond during the period beginning on a Record Date and ending the next succeeding Interest Payment Date or to transfer or exchange any Bond called for redemption during the thirty (30) day period prior to the date fixed for redemption of such Bond.

The District or the Paying Agent/Registrar may require the Registered Owner of any Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of such Bond. Any fee or charge of the Paying Agent/Registrar for such transfer or exchange shall be paid by the District.

Lost, Stolen or Destroyed Bonds

In the event the Book-Entry-Only System should be discontinued, upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. If any Bond is lost, apparently destroyed, or wrongfully taken, the District, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall, upon receipt of certain documentation from the Registered Owner and an indemnity bond, execute and the Paying Agent/Registrar shall authenticate and deliver a replacement Bond of like maturity, interest rate and principal amount bearing a number not contemporaneously outstanding.

Registered owners of lost, stolen or destroyed Bonds will be required to pay the District's costs to replace such Bond. In addition, the District or the Paying Agent/Registrar may require the Registered Owner to pay a sum sufficient to cover any tax or other governmental charge that may be imposed.

Replacement of Paying Agent/Registrar

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

Issuance of Additional Debt

At a bond election held within the District on November 8, 2005, the voters of the District authorized the issuance of $27,735,000 unlimited tax bonds for the purpose of purchasing and constructing water, wastewater and/or storm drainage facilities (the "Facilities"), of which no bond authorization remains, and $16,645,000 principal amount of unlimited tax bonds for refunding such bonds, of which $16,345,000 principal amount of authorization remains. At bond elections held within the District on November 5, 2019 and May 4, 2024, the District's voters authorized the issuance of an aggregate $370,000,000 principal amount of unlimited tax bonds for constructing and purchasing the Facilities and refunding such bonds. After the issuance of the Bonds, the District will have $333,605,000 principal amount of unlimited tax bonds for constructing and purchasing the Facilities and refunding such bonds authorized but unissued. See "INVESTMENT CONSIDERATIONS—Future Debt."

The District is authorized by statute to develop park and recreational facilities, including the issuing of bonds payable from taxes for such purpose. Before the District issues park bonds payable from taxes, the following actions are required: (a) approval of the park plan and bonds by the TCEQ; and (b) approval of the bonds by the City and Attorney General of Texas. Further, the principal amount of unlimited tax bonds issued by the District for constructing and/or acquiring park and recreational facilities may not exceed one percent (1%) of the District's certified taxable assessed valuation, unless the District meets certain financial feasibility requirements under the TCEQ rules, in which case the outstanding principal amount of such bonds issued by the District may exceed an amount equal to one percent (1%) but not greater than three percent (3%) of the value of the taxable property in the District. At bond elections held within the District on May 7, 2016 and May 4, 2024, the District's voters authorized the issuance of an aggregate $56,150,000 principal amount of unlimited tax bonds for the purpose of purchasing and constructing park and recreational facilities and refunding such bonds. The District has issued $3,325,000 principal amount of unlimited tax bonds for park and recreational facilities in two series and currently has $52,825,000 principal amount of unlimited tax bonds for park and recreational facilities and refunding such bonds authorized but unissued. See "INVESTMENT CONSIDERATIONS—Future Debt."

The District is authorized by statute to engage in fire-fighting activities, including the issuing of bonds payable from taxes for such purpose. Before the District could issue fire-fighting bonds payable from taxes, the following actions would be required: (a) amendments to existing city ordinances specifying the purposes for which the District may issue bonds; (b) authorization of a detailed master plan and bonds for such purpose by the qualified voters in the District; (c) approval of the master plan and issuance of bonds by the TCEQ; and (d) approval of bonds by the Attorney General of Texas. The Board has not considered calling an election for the issuance of fire-fighting bonds at this time. In 2007, the District's voters approved a contract with the City pursuant to which the City fire department provides fire protection services to certain service areas in the District. The District, by agreement, has committed to a capital contribution and to pay a monthly charge per single-family connection in accordance with such contract. See "THE DISTRICT—Agreements with the City of Rosenberg—Fire Protection Agreement." The District remains obligated to pay the monthly charge. Additional land in the District that is not covered by the Fire Protection Agreement is subject to an additional property tax by Fort Bend County Emergency Services District No. 6, which provides fire protection for those landowners obligated to pay such tax.

Pursuant to Chapter 54 of the Water Code, as amended, a municipal utility district may petition the TCEQ for the power to issue bonds supported by property taxes to finance roads. Before the District could issue such bonds, the District would be required to receive a grant of such power from the TCEQ, authorization from the District's voters to issue such bonds, and approval of the bonds by the Attorney General of Texas.

If additional debt obligations are issued in the future by the District, such issuance may increase gross debt/property ratios and might adversely affect the investment security of the Bonds.

Annexation by the City of Rosenberg

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

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

Strategic Partnership Agreement

The District and the City entered into a strategic partnership agreement effective as of April 2, 2019 (the "SPA"). Pursuant to the SPA, which sets forth the terms of full purpose annexation, the City will not have the right to fully annex property in the District until (i) at least 90% of the developable acreage within the District has been developed with water, wastewater and drainage and paving facilities or 10 years from the date of the SPA, whichever comes first, and the developers have been reimbursed to the maximum extent permitted by the rules of the TCEQ or the City assumes any obligation for such reimbursement; (ii) at a point earlier than Substantial Completion (as defined in the SPA) if the City agrees that the Developers may advance funds for water, sewer and drainage facilities until Substantial Completion and the City will reimburse the Developers to the maximum extent allowed by and in accordance with the rules of the TCEQ; or (iii) the expiration of the SPA's term (2044). If the District is annexed, the City will assume the District's assets and obligations (including the Bonds) and dissolve the District within one-hundred and twenty (120) days. No representation is made as to whether or not the City will annex the District at any time in the future. Moreover, no representation is made concerning the ability of the City to make debt service payments should annexation occur.

Consolidation

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

Remedies in Event of Default

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

Legal Investment and Eligibility to Secure Public Funds in Texas

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

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

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

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

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

Defeasance

The Bond Resolution provides that the District may discharge its obligations to the Registered Owners of any or all of the Bonds to pay principal, interest and redemption price thereon in any manner permitted by law. Under current Texas law, such discharge may be accomplished either (i) by depositing with the Comptroller of Public Accounts of the State of Texas a sum of money equal to the principal of, premium, if any, and all interest to accrue on the Bonds to maturity or redemption or (ii) by depositing with any place of payment (paying agent) of the Bonds or other obligations of the District payable from revenues or from ad valorem taxes or both, 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 the investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and which mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment and/or redemption of the Bonds.

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

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

BOOK-ENTRY-ONLY SYSTEM

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

The District cannot and does not give any assurances that DTC, DTC Direct Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) prepayment or other notices sent to DTC or Cede & Co., its nominee, as the Registered Owner of the Bonds, or that they will do so on a timely basis or that DTC, DTC Direct Participants or DTC Indirect Participants will act in the manner described in this OFFICIAL STATEMENT. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedure" of DTC to be followed in dealing with DTC Direct Participants is on file with DTC.

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

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a rating of "AA+" by S&P Global Ratings. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not 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 the District (or the Trustee on behalf thereof) 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).

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

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. 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 transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

USE AND DISTRIBUTION OF BOND PROCEEDS

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

I.	**CONSTRUCTION COSTS**		
	• Still Creek Ranch, Section Five	$	177,563
	• Arabella on the Prairie Powerline Detention		278,210
	• Arabella on the Prairie, Section Two		1,944,362
	• Arabella on the Prairie, Section Three		728,233
	• Engineering		38,736
	Total Construction Costs	**$**	**3,167,104**
II.	**NON-CONSTRUCTION COSTS**		
	• Bond Discount (a)	$	120,000
	• Developer Interest		415,517
	Total Non-Construction Costs	**$**	**535,517**
III.	**ISSUANCE COSTS AND FEES**		
	• Issuance Costs and Professional Fees	$	250,879
	• Bond Application Report Costs		32,500
	• State Regulatory Fees		14,000
	Total Issuance Costs and Fees	**$**	**297,379**
	TOTAL BOND ISSUE	**$**	**4,000,000**

(a) The TCEQ approved a maximum Underwriter's Discount of 3.00%.

In the event approved estimated amounts exceed actual costs, the difference comprises a surplus which may be expended for uses in accordance with the rules of the TCEQ. In the event actual costs exceed previously approved estimated amounts and contingencies, additional TCEQ notice or approval and the issuance of additional bonds may be required.

THE DISTRICT

General

The District is a municipal utility district created by an order of the TCEQ dated August 31, 2005. The rights, powers, privileges, authority and functions of the District are established by the general laws of the State of Texas pertaining to utility districts, particularly Article XVI, Section 59 of the Texas Constitution, as amended, and Chapters 49 and 54 of the Texas Water Code, as amended.

The District is empowered, among other things, to purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the supply and distribution of water; the collection, transportation, and treatment of wastewater; and the control and diversion of storm water. The District may issue bonds and other forms of indebtedness to purchase or construct such facilities. The District is also authorized to develop park and recreational facilities, including the issuance of bonds payable from taxes for such purposes and may also, subject to the granting of road powers by the TCEQ and certain limitations, develop and finance roads. The District is also empowered to contract for or employ its own peace officers and to establish, operate, and maintain fire-fighting facilities, independently or with one or more conservation and reclamation districts. A Fire Protection Agreement, approved by the District's voters, has been entered into with the City. Pursuant to the District's Rate Order, the District collects fire protection service fees from landowners within the City's service area, which are then remitted to the City in accordance with the Fire Protection Agreement. The fire protection service fees may be adjusted annually per the agreement based on the consumer price index. See "Agreements With the City of Rosenberg—Fire Protection Agreement" herein. Additional land in the District that is not covered by the Fire Protection Agreement is subject to an additional tax by Fort Bend County Emergency Services District No. 6, which provides fire protection for those landowners obligated to pay such tax.

The TCEQ exercises continuing supervisory jurisdiction over the District. In order to obtain the consent for creation from the City, within whose extraterritorial jurisdiction the District lies, the District is required to observe certain requirements of the City which: limit the purposes for which the District may sell bonds for the acquisition, construction, and improvement of waterworks, wastewater, drainage facilities and park and recreational facilities; limit the net effective interest rate on such bonds and other terms of such bonds; require approval by the City of certain District construction plans; and permit connections only to lots and commercial or multi-family reserves described in plats which have been approved by the Planning Commission of the City and recorded in the real property records. Construction and operation of the District's system is subject to the regulatory jurisdiction of additional governmental agencies. See "THE SYSTEM—Regulation" and "—Agreements with the City of Rosenberg."

Description and Location

The District is located approximately 30 miles southwest of the central downtown business district of the City of Houston and two miles southeast of the central business district of the City of Rosenberg on Highway 59. The District lies wholly within the extraterritorial jurisdiction of the City of Rosenberg and within the boundaries of the Lamar Consolidated Independent School District. The District is generally located near the intersection of U.S. Highway 59 and Farm-to-Market 2218, between Powerline Road and Koeblen Road. Access to the District is provided by U.S. Highway 59 to Farm-to-Market 2218 to Koeblen Road to Powerline Road. The District currently contains approximately 1,203 acres of land. See "AERIAL PHOTOGRAPH."

On October 17, 2023, the City, via ordinance, consented to the District annexing into its boundaries at a future date approximately 99.076-acres of property. On April 16, 2026, the District adopted an order adding land that annexed approximately 18.873 acres—a portion of the 99.076-acre property previously consented to by the City for annexation—into its boundaries. Additionally, on May 6, 2025, the City, via ordinance, consented to the District annexing into its boundaries at a future date approximately 109.616-acres of property. On August 21, 2025 the District adopted an order adding land that annexed this 109.616-acre property into its boundaries.

Land Use

The District currently includes approximately 756 developed acres of single-family residential development (2,300 single-family residential lots), approximately 47 acres under construction for 119 single-family residential lots, approximately 5 acres of commercial development, approximately 162 acres of school facilities, approximately 3 acres for a recreation center, approximately 126 developable acres that have not been provided with water, wastewater and/or storm drainage facilities, and approximately 104 undevelopable acres within the District (public rights-of-way, recreation, detention, open spaces, easements and utility sites). The table below represents a detailed breakdown of the current acreage and development in the District.

Single-Family Residential:	Approximate Acres	Lots
Sunrise Meadow:		
Section One	51	179
Section Two	64	174
Section Three	32	114
Section Four	32	131
Section Five	43	86
Section Six	29	115
Section Seven	14	46
Section Eight	37	128
Subtotal	302	973
Still Creek Ranch:		
Section One	28	99
Section Two	14	64
Section Three	21	77
Section Four	25	85
Section Five	41	99
Subtotal	129	424
Highland Meadows:		
Section One	37	111
Section Two	18	43
Subtotal	55	154
Arabella on the Prairie:		
Section One	22	76
Section Two	54	130
Section Three	26	72
Section Four	16	55
Section Five	24	86
Section Six	34	66
Section Seven (a)	13	54
Section Eight (a)	34	65
Subtotal	223	604
Windstone on the Prairie:		
Section One	11	39
Section Two	63	148
Section Three	20	77
Subtotal	94	264
Total Single-Family Residential	803	2,419
School	162	--
Commercial	5	--
Recreation Center	3	
Future Development	126	--
Non-Developable (b)	104	--
Totals	1,203	2,419

(a) Under construction with completion expected by the fourth quarter of 2026.
(b) Includes public rights-of-way, recreation, detention, open spaces, easements and utility sites.

Status of Development

Single-Family Residential: The District is being developed as the single-family residential subdivisions of Arabella on the Prairie, Windstone on the Prairie, Sunrise Meadow, Still Creek Ranch and Highland Meadows consisting of 2,300 single-family residential lots constructed on approximately 756 acres. As of July 11, 2026, 2,035 homes were completed (2,011 occupied), 104 homes were under construction or owned by a builder and 161 vacant developed lots were available for home construction. In addition, 119 single-family residential lots are under construction on approximately 47 acres in Arabella on the Prairie and are expected to be completed by the fourth quarter of 2026. According to the District's 2025 tax rolls, the average taxable value of homes in the District is approximately $265,350. New homes recently constructed in Still Creek Ranch and Arabella on the Prairie range in price from approximately $306,000 to $461,000. The current estimated population in the District is 7,039 based upon 3.5 persons per occupied single-family residence.

A recreation center has been constructed on approximately three acres in Arabella on the Prairie. Lamar Consolidated Independent School District owns approximately 134 acres developed as a high school, junior high school and middle school complex and approximately 28 acres developed as an elementary school and agricultural school complex. The school complexes, as tax-exempt entities, are not subject to the District's ad valorem property taxation. Commercial development in the District consists of a gas station constructed on approximately 5 acres. Approximately 126 developable acres have not been provided with water, wastewater and storm drainage facilities, and approximately 104 acres within the District are not developable (public rights-of-way, recreation, detention, open spaces, easements and utility sites).

Builders

Lennar Homes of Texas, Beazer Homes and Coventry Homes are actively marketing and constructing homes in Still Creek Ranch and Arabella on the Prairie.

Agreements with the City of Rosenberg

Utility Agreement: Pursuant to a Water Supply and Wastewater Services Agreement (the "Utility Agreement") between the City and LGI Homes dated June 7, 2005, as assigned to the District on November 11, 2005 and subsequently amended, the District is responsible for acquiring, constructing, operating and maintaining water distribution, wastewater collection and drainage facilities to serve development occurring within the boundaries of the District and the City agrees to provide water supply and wastewater treatment capacity to the District to serve up to 3,866 equivalent single-family connections in consideration of the District's financing, acquisition, and construction of the Facilities. The District currently owns and operates a water plant and interim wastewater treatment plant. See "THE SYSTEM—Water Supply" and"—Wastewater Treatment." Pursuant to the Utility Agreement, the District will ultimately convey all of the water supply facilities to the City for operation and the City will construct a regional sewer treatment plant to replace the District's existing wastewater treatment plant. The City has requested that the District continue to own and operate such facilities until the City accepts operational responsibility for such facilities and has constructed such regional sewer treatment plant. The City has purchased land for the regional sewer treatment plant, but the timetable for such acceptance and construction has not been determined.

The Facilities: The Utility Agreement provides that the Facilities will be designed and constructed in accordance with the City's requirements and criteria. The City agrees to provide the District with its ultimate requirements for water supply capacity and major offsite water distribution lines to the water source and wastewater treatment capacity and major offsite wastewater trunk collection line capacity to the wastewater treatment plant.

Authority of District to Issue Bonds: The District has the authority to issue, sell, and deliver bonds as permitted by law and the City's procedures for the Creation of Municipal Utility Districts. Bonds issued by the District are obligations solely of the District and shall not be construed to be obligations or indebtedness of the City. The District must obtain the consent of the City before it issues bonds and all bonds issued by the District must be in compliance with the City's Ordinance No. 2005-07.

Fire Protection Agreement: Pursuant to the Fire Protection Agreement entered into on July 18, 2007, as amended and supplemented, the City provides fire protection services to the District via the City's existing three fire stations. The customers of the District pay a mandatory monthly fee, which currently is $20.00 per residential connection. Further, the monthly amounts increase each year on September 1 by the amount of any annual CPI increase. Four other nearby municipal utility districts have entered into similar fire protection agreements with the City for similar terms. In addition, Fort Bend County Emergency Services District No. 6 provides fire protection service to landowners within the District outside the City's service area, charging a tax to such landowners to fund such fire protection. See "TAX MATTERS—Overlapping Taxes."

Strategic Partnership Agreement

The District and the City entered into a strategic partnership agreement effective as of April 2, 2019 (the "SPA"). Pursuant to the SPA, which sets forth the terms of full purpose annexation, the City will not fully annex property in the District until (i) at least 90% of the developable acreage within the District has been developed with water, wastewater and drainage and paving facilities or 10 years from the date of the SPA, whichever comes first, and the developers have been reimbursed to the maximum extent permitted by the rules of the TCEQ or the City assumes any obligation for such reimbursement; (ii) at a point earlier than Substantial Completion (as defined in the SPA) if the City agrees that the Developers may advance funds for water, sewer and drainage facilities until Substantial Completion and the City will reimburse the Developers to the maximum extent allowed by and in accordance with the rules of the TCEQ; or (iii) the expiration of the SPA's term (2044). If the District is annexed, the City will assume the District's assets and obligations (including the Bonds) and dissolve the District within one-hundred and twenty (120) days. No representation is made as to whether or not the City will annex the District at any time in the future. Moreover, no representation is made concerning the ability of the City to make debt service payments should annexation occur.

Groundwater Reduction Plan Agreement

The Texas Legislature created the Fort Bend Subsidence District in order to regulate groundwater pumping, and the Subsidence District adopted a regulatory plan that certain water well permit holders, including the District, must reduce groundwater usage, either individually or by participating in a group. To satisfy this mandate, on May 5, 2009, the District and the City entered into a Groundwater Reduction Plan Participation Agreement (the "Plan"). Approximately 134 acres in the District developed as a Lamar Consolidated Independent District ("LCISD") high school, junior high school complex and middle school complex is within the boundaries of the Subsidence District and within the boundaries of the North Fort Bend Water Authority (the "Authority"), and is included within the Authority's groundwater reduction plan. While the District's water wells are not located within the boundaries of the Authority, the water imported into the portion of the District owned by LCISD that is located within the Authority's boundaries is subject to Authority import fees, are passed through to LCISD.

The Plan states that the City will be the administrator and is responsible for producing and submitting a plan to the Subsidence District conforming to the minimum requirements. The City also agrees to pay all costs associated with the plan with future bond proceeds issued by the City.

The District agrees to pay the City a surface water fee based on water pumped by the District at the rate of which the City charges to its customers. Effective October 1, 2025, the GRP rate is $2.95 per 1,000 gallons of groundwater pumped from the District's well. The District passes this fee, plus a 25% surcharge, on to its customers. The plan will remain in effect as long as the regulatory plan for surface water conversion is in effect. As of April 30, 2026, the District has recorded $749,267 in revenues and $625,236 in expenditures pursuant to the Plan.

The District and the City entered into a Water Supply Contract (the "Water Supply Contract") effective as of November 24, 2025, whereby the City agreed to sell water to the District on a wholesale basis. Pursuant to the terms of the Water Supply Contract, the District pays the water rates and GRP fee charged by the City to the City's other customers, as established by the Plan. The District is also required to pay to the City an impact fee for all ESFCs over 2,344 that connect to the District's water system. In consideration for the payment of these impact fees, the City agrees to supply the District with water supply capacity sufficient to serve the District's customers pursuant to the number of ESFCs then-consented to by the City in the Utility Agreement—currently 3,866 ESFCs. The Water Supply Contract also obligates the City to provide a credit to the District to offset its impact fee costs, in an amount equal to the District's actual costs to construct certain regional facilities which serve the City's water supply system.

TRI-PARTY AGREEMENT

General

The District, Fort Bend County Reinvestment Zone No. 1 (the "TIRZ"), and Fort Bend County (the "County"), entered into a Tri-Party Agreement on October 25, 2022 related to the use and administration of tax revenues generated by the TIRZ (the "Tri-Party Agreement"). A total of approximately 4,075 acres were designated by the County as the TIRZ in 2022. In the TIRZ, property tax revenues collected by the County are set at the base level of 2022 (the "Base Year Value"). Pursuant to the Tri-Party Agreement, the amount of property tax revenues collected by the County above the Base Year Value times the County's participation is collected to pay for the infrastructure and other capital improvements (the "Tax Increment"). The District is entirely located within the TIRZ.

Seventy-five percent (75%) of the Tax Increment generated in the TIRZ by the County will be transmitted to the District to finance, construct, operate, and/or maintain certain public infrastructure within the TIRZ. These revenues may be used by the District to directly fund TIRZ projects, to reimburse the advance funding of a TIRZ project, or to be used as security for contract revenue bonds. Should the District issue contract revenue bonds secured by revenues received from the TIRZ, such bonds would be limited obligations of the District payable solely from the sources described herein and are not obligations of the City, the County, the TIRZ, the State of Texas, or any entity other than the District. The District has not issued contract revenue bonds secured by TIRZ revenues to date.

The TIRZ revenues are generated solely from the County's ad valorem taxes levied within the TIRZ, and are wholly separate and apart from the District's taxing authority. The Bonds are not secured by any TIRZ revenues.

Establishment of the TIRZ

Pursuant to the County's September 27, 2022 ordinance (the "County Creation Ordinance"), the County created the TIRZ and established a separate fund in the County treasury to collect the Tax Increment for the TIRZ (the "Tax Increment Fund"). The TIRZ took effect on the date of passage of the County Creation Ordinance and is scheduled to terminate on January 1, 2053, or at such time, subsequent to the issuance of tax increment bonds, if any, that all project costs, tax increment bonds, and interest on the bonds have been paid in full.

The Project Plan was approved by the TIRZ on October 17, 2022 and was approved by the County on October 25, 2022. The Project Plan obligates the County to contribute 75% of its collected Tax Increments arising from captured appraised value of real property within the TIRZ to the Tax Increment Fund during the term of the TIRZ. Further terms concerning the County's contribution of Tax Increments to the TIRZ are found in the Tri-Party Agreement.

County Participation in the TIRZ

Pursuant to the Tri-Party Agreement, the County agreed to participate in the TIRZ by contributing 75% of the Tax Increment attributable to the captured appraised value of real property located in the TIRZ for 30 tax years, beginning on January 1, 2023 and ending on January 1, 2053. The County is not obligated to make Tax Increment payments from any source other than taxes collected on captured appraisal value of real property in the TIRZ and not until the Tax Increments are actually collected. Payments into the Tax Increment Fund are required to be paid as provided in the Chapter 311 of the Texas Tax Code, which requires payment by the 90th day after the delinquency date for taxes, and no interest or penalty will be charged to the County for any late payment. To date the District has received a total of $1,388,402 in Tax Increment from the County. See "SELECTED FINANCIAL INFORMATIN (UNAUDITED)."

Use and Duration of Contract Tax Increments

The Tri-Party Agreement states that the Authority will use the Contract Tax Increments for the following: (i) payment of bonds issued by the District to finance the TIRZ Projects; (ii) payment of the TIRZ projects, including costs of TIRZ administration, creation, and all other items identified in the Plan; and (iii) to make developer reimbursements for TIRZ projects.

The Tri-Party Agreement will remain in effect through the later of (i) the termination of the TIRZ; (ii) the full payment or defeasance of all Tax Increment Contract Revenue Bonds issued by the District; or (iii) forty-five (45) years from the Tri-Party Agreement's effective date.

TIRZ Litigation

The implementation of the TIRZ was made possible pursuant to a constitutional amendment passed in Texas in November 2021 (Proposition 2). This constitutional amendment permitted counties, instead of only cities, to designate tax increment reinvestment zones and use revenues generated therein to fund development. A lawsuit was filed shortly after the amendment's passing challenging the ballot language *(True Texas Project, Texans Uniting for Reform and Freedom, Grassroots America-We the People, Julie McCarty, Terri Hall, and JoAnn Fleming v. John B. Scott, in his official capacity as Texas Secretary of State,* Case No. D-1-GN-21-006656, 53rd District Court of Travis County). On July 8, 2026, the presiding Judge for the 53rd District Court of Travis County granted summary judgement in favor of the Plaintiffs in the above-referenced case, holding that the ballot proposition presented to the voters which allowed the County to designate the TIRZ, was invalid. At this time, the court ruling granting summary judgement has not been appealed by the defendants in that case; it is unclear whether such appeal will be filed.

Pursuant to the Tri-Party Agreement, should this constitutional amendment be deemed invalid, the TIRZ may be dissolved, and the County, upon such dissolution, will continue to contribute 75% of the Tax Increment to the District, based on the same geographical boundaries that are included in the current TIRZ, for the funding of public infrastructure via an agreement entered into between the District and the County pursuant to Chapter 381 of the Texas Local Government Code. Should such an agreement be necessary, the District may utilize the revenues generated within the same geographic area to fund public infrastructure, but will likely do so only through direct payments (in lieu of bond issuances).

THE DEVELOPERS

Role of a Developer

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

Prospective Bond purchasers should note that the prior real estate experience of the Developers should not be construed as an indication that further development within the District will occur, or that 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. See "INVESTMENT CONSIDERATIONS."

Arenosa Development Powerline, LTD.

The developer of Still Creek Ranch is Arenosa Development Powerline, LTD., a Texas limited partnership ("Arenosa") whose general partner is Arenosa Development, LLC, a Texas limited liability company. Arenosa has completed the development of Still Creek Ranch, Sections One, Two and Five consisting of 262 single-family residential lots on approximately 83 acres. Arenosa continues to own approximately 34 acres of developable but undeveloped land in the District. Arenosa sold approximately 46 acres to Lennar Homes of Texas Land and Construction, Ltd. ("Lennar Homes") for the development of single-family residential lots in Still Creek Ranch, Sections Three and Four. Lennar engaged Arenosa as the development manager for such sections and has completed the development of Sections Three and Four, consisting of 162 lots on approximately 46 acres. Lennar does not own any additional developable land in the District for future development.

Beazer Homes Texas, L.P.

The developer of Arabella on the Prairie is Beazer Homes Texas, L.P., a Delaware limited partnership ("Beazer Homes"). Beazer Homes has completed the development of Arabella on the Prairie, Sections One through Six consisting of 485 single-family residential lots on approximately 176 acres. Beazer Homes also constructed a recreation center on approximately three acres in Arabella on the Prairie. Arabella on the Prairie, Sections Seven and Eight, which will collectively consist of 119 single-family residential lots on approximately 47 acres, are currently under construction and expected to be completed by the fourth quarter of 2026. Upon completion of Arabella on the Prairie, Sections Seven and Eight, Beazer Homes will continue to own an additional approximately 142 acres of developable but undeveloped land in the District.

D.R. Horton Texas Ltd.

The developer of Windstone on the Prairie is D.R. Horton Texas Ltd., a Texas limited partnership ("D.R. Horton"). D.R. Horton has completed the construction of Windstone on the Prairie, Sections One through Three consisting of 264 single-family residential lots on approximately 94 acres and does not own any developable land in the District for future development. D.R. Horton has completed all homebuilding in Windstone on the Prairie, Sections One through Three.

Arenosa, Lennar Homes, Beazer Homes and D.R. Horton are collectively referred to herein as the "Developers."

Information Concerning the Developers

The Developers are not responsible for, liable for, and have not made any commitment for payment of the Bonds or other obligations of the District. The Developers have no legal commitment to the District or owners of the Bonds to continue development of land within the District and may sell or otherwise dispose of its property within the District, or any other assets, at any time.

Prospective Bond purchasers should note that the prior real estate experience of the Developers should not be construed as an indication that further development within the District will occur, or that 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.

Major Property Owners

Individuals and/or entities own approximately 17 acres of developable land within the District for future development. The District is not aware of any plans to develop such acreage at this time.

MANAGEMENT OF THE DISTRICT

Board of Directors

The District is governed by the Board, consisting of five (5) directors, which has control over and management supervision of all affairs of the District. Directors are elected to four-year terms and elections are held in May in even numbered years only. All of the Board members reside within the District. Directors have staggered four-year terms. The current members and officers of the Board along with their titles and terms, are listed as follows:

Name	District Board Title	Term Expires
Dale Clayton	President	May 2028
Michael Gutierrez	Vice President	May 2028
Floyd Martinez	Secretary	May 2030
Yvonne Pena	Assistant Vice President	May 2030
Steven Raymond	Assistant Secretary	May 2028

District Consultants

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

Bond Counsel/Attorney: The District has engaged Allen Boone Humphries Robinson LLP as general counsel to the District and as Bond Counsel in connection with the issuance of the District's bonds. The fees of the attorneys in their capacity as Bond Counsel are contingent upon the sale and delivery of the Bonds. Compensation to the attorneys for other services to the District is based on time charges actually incurred.

Financial Advisor: Masterson Advisors LLC serves as the District's Financial Advisor. The fee for services rendered in connection with the issuance of the Bonds is based on a percentage of the Bonds actually issued, sold and delivered and, therefore, such fee is contingent upon the sale and delivery of the Bonds.

Auditor: As required by the Texas Water Code, the District retains an independent auditor to audit the District's financial statements annually, which are filed with the Commission. The District's financial statements for the fiscal year ending April 30, 2026 were audited by McGrath & Co., PLLC, Certified Public Accountants. See "APPENDIX A" for a copy of the District's April 30, 2026 audited financial statements.

Engineer: The District's consulting engineer is Odyssey Engineering Group, LLC.

Tax Appraisal: The Fort Bend Central Appraisal District has the responsibility of appraising all property within the District. See "TAXING PROCEDURES."

Tax Assessor/Collector: Land and improvements in the District are appraised for ad valorem taxation purposes by the Fort Bend Central Appraisal District. The District's Tax Assessor/Collector is appointed by the Board to collect the District's taxes. The Fort Bend County Tax Office is currently serving in this capacity.

Bookkeeper: The District contracts with Municipal Accounts & Consulting, L.P. (the "Bookkeeper") for bookkeeping services.

Utility System Operator: The operator of the District's internal water and wastewater system is Si Environmental, LLC.

Landscape Architect: The landscape architect for the District is TBG Partners.

THE SYSTEM

Regulation

Construction and operation of the District's water, wastewater and storm drainage system as it now exists or as it may be expanded from time to time is subject to regulatory jurisdiction of federal, state and local authorities. The TCEQ exercises continuing, supervisory authority over the District. Discharge of treated sewage into Texas waters, if any, is also subject to the regulatory authority of the TCEQ and the United States Environmental Protection Agency. Construction of drainage facilities is subject to the regulatory authority of the Fort Bend County Drainage District. Fort Bend County, the City, and the Texas Department of Health also exercise regulatory jurisdiction over all or a portion of the District's system.

Water Supply

The District receives its water supply from two 500 gallon per minute ("gpm") wells and a water supply plant owned and operated by the District. The water plant consists of four ground storage tanks totaling 300,000 gallons, three pressure tanks totaling 30,000 gallons and four booster pumps totaling 4,000 gallons per minute. In November 2016, the District received approval from the TCEQ of an Alternative Minimum Capacity Study. Based on this approved study, the water supply system of the District is capable of serving 2,344 equivalent single-family connections ("ESFCs"). As of July 11, 2026, the District was serving approximately 2,139 active ESFCs (including 2,035 completed homes and 104 homes under construction or in the name of the builder). Pursuant to the Plan and the Water Supply Contract, the City may assume operation of the District's groundwater wells. However, the City has requested that the District continue to own and operate such groundwater wells until the City accepts operational responsibility for (but not necessarily ownership of) the facilities. The City's timetable for such acceptance has not been determined, however the District expects to begin taking water from the City on or around the first quarter of 2027. See "THE DISTRICT—Agreements with the City of Rosenberg" and—"Groundwater Reduction Plan Agreement."

Subsidence and Conversion to Surface Water Supply

The majority of the District is within the boundaries of the Fort Bend Subsidence District (the "Subsidence District"), which regulates groundwater withdrawal. The District's authority to pump groundwater is subject to an annual permit issued by the Subsidence District. The Subsidence District has adopted regulations requiring reduction of groundwater withdrawals through conversion to alternate source water (e.g., surface water) in certain areas within the Subsidence District's jurisdiction, including the area within the District.

The Subsidence District's regulations require the District, individually or collectively with other water users, to: (i) prepare a groundwater reduction plan ("GRP") and obtain certification of the GRP from the Subsidence District; (ii) limit groundwater withdrawals to no more than 70% of the total annual water demand of the water users within the GRP, beginning in the year 2016; and (iii) limit groundwater withdrawals to no more than 40% of the total annual water demand of the water users within the GRP, beginning in the year 2025.

The City has developed a GRP and obtained Subsidence District approval of such GRP. The District has executed a GRP agreement with the City. The City, in accordance with the approved GRP, has executed a contract with the Brazosport Water Authority for delivery of 5.7 million gallons per day of treated surface water, and has completed construction on a large diameter water line to import surface water from Brazosport, Texas to the City, for distribution to its customers and GRP participants, including the District. If the City, as the GRP Manager, fails to comply with the above Subsidence District regulations, the District and others within the City's GRP group will be subject to a disincentive fee penalty imposed by the Subsidence District for any groundwater withdrawn in excess of 40% of the total annual water demand. The District currently charges its customers a monthly GRP fee of $2.95 per 1,000 gallons plus a 25% surcharge.

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

Approximately 134 acres in the District consisting of the Lamar Consolidated Independent District ("LCISD") high school, junior high school and a middle school complex is within the boundaries of the Subsidence District, which regulates groundwater withdrawal. The additional approximate 28 acres consisting of LCISD's elementary school and agriculture school complex is located outside the Authority (as defined herein) and in the City's GRP. The Subsidence District has adopted regulations requiring reduction of groundwater withdrawals through conversion to alternate source water (e.g., surface water) in certain areas within the Subsidence District's jurisdiction, including the area within the Service Area. In 2005, the Texas legislature created the North Fort Bend Water Authority (the "Authority") to, among other things, reduce groundwater usage in, and to provide surface water to, the northern portion of Fort Bend County (including the acreage owned by LCISD) and a small portion of Harris County. The Authority has entered into a Water Supply Contract with the City of Houston, Texas ("Houston") to obtain treated surface water from Houston. The Authority has developed a GRP and obtained Subsidence District approval of its GRP. The Authority's GRP sets forth the Authority's plan to comply with Subsidence District regulations, construct surface water facilities, and convert users from groundwater to alternate source water (e.g., surface water). The portion of the District on which the LCISD complex is situated is located in Fort Bend County and is included within the Authority's GRP. While the District's water wells are not located within the boundaries of the Authority, the water imported into the portion of the District owned by LCISD is subject to Authority import fees, which will be passed through to LCISD by the District.

The Authority, among other powers, has the power to: (i) issue debt supported by the revenues pledged for the payment of its obligations; (ii) establish fees (including fees imposed on the District for groundwater impacted by LCISD from the District), user fees, rates, charges and special assessments as necessary to accomplish its purposes; and (iii) mandate water users, including the District, to convert from groundwater to surface water. The Authority currently charges the District, and other major groundwater users, a fee per 1,000 gallons based on the amount of groundwater pumped by the District and a fee per 1,000 gallons of surface water received from the Authority, if any. (The imported water fee is equal to the fee otherwise charged by the Authority per 1,000 gallons of groundwater pumped within the Authority's boundaries.). The Authority has issued revenue bonds to fund, among other things, Authority surface water project costs. It is expected that the Authority will continue to issue a substantial amount of bonds by the year 2025 to finance the Authority's project costs, and it is expected that the fees charged by the Authority will increase substantially over such period.

Under the Subsidence District regulations and the GRP, the Authority is required to: (i) limit groundwater withdrawals to no more than 70% of the total annual water demand of the water users within the Authority's GRP, beginning in the year 2014; and (ii) limit groundwater withdrawals to no more than 40% of the total annual water demand of the water users within the Authority's GRP, beginning in the year 2025. If the Authority fails to comply with the above Subsidence District regulations, the Authority is subject to a disincentive fee penalty, ("Disincentive Fees"), imposed by the Subsidence District for any groundwater withdrawn in excess of 40% of the total annual water demand in the Authority's GRP. In the event of such Authority failure to comply, the Subsidence District may also seek to collect Disincentive Fees from the District. If the District failed to comply with surface water conversion requirements mandated by the Authority, the Authority would likely impose monetary or other penalties against the District.

The District cannot predict the amount or level of fees and charges, which may be due the Authority in the future, but the District will pass such fees through to LCISD. In addition, conversion to surface water could necessitate improvements to the water system conveyed to the District which could require the issuance of additional bonds by the District. No representation is made that the Authority: (i) will build the necessary facilities to meet the requirements of the Subsidence District for conversion to surface water, (ii) will comply with the Subsidence District's surface water conversion requirements, or (iii) will comply with its GRP.

Wastewater Treatment

Wastewater treatment for the development in the District is provided by two wastewater treatment plants. Wastewater Treatment Plant No. 1 has a capacity of 350,000 gallon per day ("gpd"). Phase One of Wastewater Treatment Plant No. 2 is operational and has an initial capacity of 400,000 gpd. Wastewater Treatment Plant No. 2 is planned to have an ultimate capacity of 1,200,000 gpd. The collective wastewater capacity of the two plants is capable of serving 3,267 ESFCs. As of July 11, 2026, the District was serving approximately 2,139 active ESFCs (including 2,035 completed homes and 104 homes under construction or in the name of a builder). On February 6, 2025, the District entered into a temporary wastewater treatment services agreement with Fort Bend County Municipal Utility District No. 237A ("mud 237A"), whereby the District Agreed to provide MUD 237A with temporary capacity in its Wastewater Treatment Plant No. 2 of up to 200 ESFCs. MUD 237A has notified the District that it will connect to the Districts Wastewater Treatment Plant no later than August 8, 2026. See "THE DISTRICT—Agreements with the City of Rosenburg—Utility Agreement."

Water Distribution, Wastewater Collection and Storm Drainage Facilities

Water distribution, wastewater collection and storm drainage facilities have been constructed to serve 2,300 single-family residential lots, approximately 5 acres of commercial property and approximately 162 acres owned by Lamar Consolidated Independent School District in the District. Additionally, facilities are under construction on approximately 47 acres in the District to serve 119 single-family residential lots expected to be completed by the fourth quarter of 2026. See "THE DISTRICT—Land Use."

100-Year Flood Plain

"Flood Insurance Rate Map" or "FIRM" means an official map of a community on which the Federal Emergency Management Agency (FEMA) has delineated the appropriate areas of flood hazards. The 1% chance of probable inundation, also known as the 100-year flood plain, is depicted on these maps. The "100-year flood plain" (or 1% chance of probable inundation) as shown on the FIRM is the estimated geographical area that would be flooded by a rain storm of such intensity to statistically have a one percent chance of occurring in any given year. Generally speaking, homes must be built above the 100-year flood plain in order to meet local regulatory requirements and to be eligible for federal flood insurance. An engineering or regulatory determination that an area is above the 100-year flood plain is no assurance that homes built in such area will not be flooded. The District's drainage system has been designed and constructed to all current standards. According to the Engineer, approximately 6.5 acres of developable land within Still Creek Ranch were within the designated 100-year flood plain according to the Federal Emergency Management ("FEMA") Flood Insurance Rate Map Panel Number: 48157C0400L, dated April 2, 2014. Such acreage has been removed from the 100-year flood plain by a FEMA Letter of Map Revision based on fill dated November 27, 2019. See "INVESTMENT CONSIDERATIONS—Extreme Weather Events."

Atlas 14

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 and potentially leaving less developable property within the District. 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. See "INVESTMENT CONSIDERATIONS—Atlas 14."

PARK AND RECREATIONAL FACILITIES

Park and recreational facilities constructed within the District include an amenity lake, pavilion, basketball court, playground facilities, sidewalks, playing fields, a trail system and landscaping and monumentation enhancements. The District has adopted the Master Plan for Recreational, Open Space, Beautification and Landscape Guidelines and has implemented this plan and accompanying guiding principles for all new development in the District to maintain a certain general aesthetic. A District trail system project has recently been completed. A recreation center has been constructed on approximately 3 acres in Arabella on the Prairie.

FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)

2026 Taxable Assessed Valuation	$610,871,951	(a)
Estimated Taxable Assessed Valuation as of June 1, 2026	$671,189,481	(b)
Gross Direct Debt Outstanding	$ 59,235,000	(c)
Estimated Overlapping Debt	67,141,042	(d)
Gross Direct Debt and Estimated Overlapping Debt	$126,376,042	(d)
Ratios of Gross Direct Debt to:		
2026 Taxable Assessed Valuation	9.70%	
Estimated Taxable Assessed Valuation as of June 1, 2026	8.83%	
Ratios of Gross Direct Debt and Estimated Overlapping Debt to:		
2026 Taxable Assessed Valuation	20.69%	
Estimated Taxable Assessed Valuation as of June 1, 2026	18.83%	
Debt Service Funds Available as of August 6, 2026	$4,984,708	(e)
Operating Funds Available as of August 6, 2026	$3,674,050	
Water, Sewer and Drainage Capital Projects Funds Available as of August 6, 2026	$3,729,855	
Park Capital Projects Funds Available as of August 6, 2026	$ 501,667	
Tax Increment Funds Available as of August 6, 2026	$1,332,839	(f)

(a) The Appraisal District has certified $596,524,723 of taxable value and an additional $14,347,228 remains uncertified and subject to review and adjustment prior to certification. The 2026 Taxable Assessed Valuation shown herein is the certified value plus the uncertified value. See "TAXING PROCEDURES."

(b) Provided by the Appraisal District for informational purposes only. Such amount reflects an estimate of the taxable assessed value within the District on June 1, 2026. Increases in value that occur between January 1, 2026 and June 1, 2026 will be assessed for purposes of taxation on January 1, 2027. No tax will be levied on such amount until it is certified. See "TAXING PROCEDURES."

(c) Includes the Bonds and the Outstanding Bonds. See "Outstanding Bonds" herein.

(d) See "Estimated Overlapping Debt" herein.

(e) Includes $3,130,344 for the District's September 1, 2026, debt service payment on the Outstanding Bonds.

(f) Funds in the Tax Increment Fund are restricted for payment of certain uses and TIRZ (defined herein) projects per the Tri-Party Agreement (defined herein). See "TRI-PARTY AGREEMENT."

Investments of the District

The District has adopted an Investment Policy as required by the Public Funds Investment Act, Chapter 2256, Texas Government Code. The District's goal is to preserve principal and maintain liquidity while securing a competitive yield on its portfolio. Funds of the District will be invested in short term U.S. Treasuries, certificates of deposit insured by the Federal Deposit Insurance Corporation ("FDIC") or secured by collateral evidenced by perfected safekeeping receipts held by a third party bank, and public funds investment pools rated in the highest rating category by a nationally recognized rating service. The District does not currently own, nor does it anticipate the inclusion of, long term securities or derivative products in the District portfolio.

Outstanding Debt

The District has previously issued $60,130,000 principal amount of unlimited tax bonds for the purpose of purchasing and constructing the Facilities, $3,325,000 principal amount of unlimited tax bonds for the purpose of purchasing and constructing park and recreational facilities and $6,190,000 of unlimited tax refunding bonds for the purpose of refunding outstanding bonds of the District, of which $55,235,000 principal amount is outstanding (the "Outstanding Bonds") as of the date hereof. The following table lists the original principal amount of all series of bonds issued by the District and the principal amount of the Outstanding Bonds.

Series		Original Principal Amount	Outstanding Bonds
2007		$ 3,495,000	$ -
2009		1,500,000	-
2010		900,000	-
2013		1,600,000	-
2015		2,000,000	1,270,000
2015A	(a)	4,195,000	2,495,000
2017		4,100,000	2,700,000
2017A	(b)	1,325,000	885,000
2020		5,925,000	4,800,000
2021	(a)	1,995,000	1,600,000
2021A		5,300,000	4,640,000
2023		8,310,000	7,930,000
2024	(b)	2,000,000	1,915,000
2024		16,000,000	16,000,000
2025		11,000,000	11,000,000
Total		$ 69,645,000	$ 55,235,000

(a) Unlimited tax refunding bonds.
(b) Unlimited tax park bonds.

Debt Service Requirements

The following sets forth the debt service on the Outstanding Bonds (see "Outstanding Debt" in this section) and the estimated debt service on the Bonds at an estimated interest rate of 4.75%.

Year	Outstanding Bonds Debt Service		Plus: Debt Service on the Bonds Principal	Interest	Total	Total Debt Service
2026	$ 3,130,343.75	(a)	$ -	$ -	$ -	$ 3,130,343.75
2027	4,595,200.00		-	178,916.67	178,916.67	4,774,116.67
2028	4,505,037.50		-	190,000.00	190,000.00	4,695,037.50
2029	4,421,768.75		100,000	187,625.00	287,625.00	4,709,393.75
2030	4,331,812.50		105,000	182,756.25	287,756.25	4,619,568.75
2031	4,253,943.75		110,000	177,650.00	287,650.00	4,541,593.75
2032	4,179,525.00		115,000	172,306.25	287,306.25	4,466,831.25
2033	4,091,143.75		120,000	166,725.00	286,725.00	4,377,868.75
2034	3,994,812.50		125,000	160,906.25	285,906.25	4,280,718.75
2035	3,915,150.00		130,000	154,850.00	284,850.00	4,200,000.00
2036	3,603,012.50		135,000	148,556.25	283,556.25	3,886,568.75
2037	3,535,850.00		145,000	141,906.25	286,906.25	3,822,756.25
2038	3,386,862.50		150,000	134,900.00	284,900.00	3,671,762.50
2039	3,323,075.00		155,000	127,656.25	282,656.25	3,605,731.25
2040	3,143,275.00		165,000	120,056.25	285,056.25	3,428,331.25
2041	2,830,625.00		175,000	111,981.25	286,981.25	3,117,606.25
2042	2,794,700.00		180,000	103,550.00	283,550.00	3,078,250.00
2043	2,731,987.50		190,000	94,762.50	284,762.50	3,016,750.00
2044	2,348,518.75		200,000	85,500.00	285,500.00	2,634,018.75
2045	2,296,300.00		210,000	75,762.50	285,762.50	2,582,062.50
2046	2,243,018.75		220,000	65,550.00	285,550.00	2,528,568.75
2047	1,968,675.00		230,000	54,862.50	284,862.50	2,253,537.50
2048	1,318,962.50		240,000	43,700.00	283,700.00	1,602,662.50
2049	1,188,687.50		255,000	31,943.75	286,943.75	1,475,631.25
2050	476,043.75		265,000	19,593.75	284,593.75	760,637.50
2051	-		280,000	6,650.00	286,650.00	286,650.00
Total	$ 78,608,331.25		$ 4,000,000	$ 2,938,666.67	$ 6,938,666.67	$ 85,546,997.92

(a) Excludes the March 1, 2026 debt service payment in the amount of $1,090,646.

Average Annual Debt Service Requirements (2027-2051) $3,296,666
Maximum Annual Debt Service Requirement (2027) $4,774,117

Estimated Overlapping Debt

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

Taxing Jurisdiction	Outstanding Bonds	As of	Percent	Overlapping Amount
Fort Bend County	$1,152,335,706	7/31/26	0.42%	$ 4,839,810
Fort Bend County Drainage District	20,585,000	7/31/26	0.42%	86,457
Lamar Consolidated Independent School District	3,555,130,000	7/31/26	1.75%	62,214,775
Total Estimated Overlapping Debt				$ 67,141,042
The District's Total Direct Debt (a)				59,235,000
Total Direct and Estimated Overlapping Debt				$126,376,042

Direct and Estimated Overlapping Debt as a Percentage of:
2026 Taxable Assessed Valuation of $610,871,951 .... 20.69%
Estimated Taxable Assessed Valuation as of June 1, 2026 of $671,189,481 .... 18.83%

(a) Includes the Bonds and the Outstanding Bonds.

Overlapping Taxes

Property within the District is subject to taxation by several taxing authorities in addition to the District. On January 1 of each year a tax lien attaches to property to secure the payment of all taxes, penalties and interest imposed on such property. The lien exists in favor of each taxing unit, including the District, having the power to tax the property. The District's tax lien is on a parity with tax liens of taxing authorities shown below. In addition to ad valorem taxes required to pay debt service on bonded debt of the District and other taxing authorities (see "Estimated Overlapping Debt" above), certain taxing jurisdictions, including the District, are also authorized by Texas law to assess, levy and collect ad valorem taxes for operation, maintenance, administrative and/or general revenue purposes.

Set forth below are all of the taxes levied for the 2025 tax year by all overlapping taxing jurisdictions and the District. None of the below entities have levied a 2026 tax rate. No recognition is given to local assessments for civic association dues, fire department contributions, solid waste disposal charges or any other levy of entities other than political subdivisions.

	2025 Tax Rate Per $100 of Taxable Assessed Valuation
Fort Bend County (including Drainage District) (a)	$0.4220
Lamar Consolidated Independent School District	1.1469
Total Overlapping Tax Rate	$1.5689
The District (b)	1.1000
Total Tax Rate (c)	$2.6689

(a) A portion of Fort Bend County's tax levy (excluding the Drainage District) over area within and around the District will form the basis of any future TIRZ revenues. There will not be a separate or additional tax levied by Fort Bend County to fund the TIRZ Revenues. In the Event that the constitutional amendment which created the TIRZ is deemed invalid, Fort Bend County will continue to contribute 75% of its Tax Increment to the District pursuant to an agreement authorized by Chapter 381 of the Texas Local Government Code. See "TRI-PARTY AGREEMENT."

(b) The District authorized publication of its intent to level a total tax rate of $1.1478 per $100 of taxable assessed valuation for tax year 2026, of which $0.7750 per $100 of taxable assessed valuation is allocated to debt service and $0.3728 per $100 of taxable assessed valuation is allocated to maintenance and operations. The District expects to adopt such tax rate in September. At that time, the Board of Directors of the District may decide to adopt a lower tax rate, but the total tax rate will not exceed $1.1478. See "TAX DATA—Historical Tax Rate Distribution."

(c) A portion of the District is subject to taxation by Fort Bend County Emergency Services District No. 6, which levied a 2025 tax rate in the amount of $0.100 per $100 of taxable assessed valuation, creating a total tax rate for taxpayers for this area of $2.7689 per $100 of taxable assessed valuation. See "THE DISTRICT—Agreements with the City of Rosenberg" and "—Fire Protection Agreement."

General Operating Fund

The Bonds and the Outstanding Bonds are payable solely from the levy of an ad valorem tax, without legal limitation as to rate or amount, upon all taxable property in the District. Nevertheless, net revenues from operations of the District's water and wastewater system, if any, are available for any legal purpose, including the payment of debt service on the Bonds and the Outstanding Bonds, upon Board action. However, it is not anticipated that net revenues will be used or would be sufficient to pay debt service on the Bonds or the Outstanding Bonds.

The following statement sets forth in condensed form the General Operating Fund as shown in the District's audited financial statements for the fiscal years ended April 30, 2022 through April 30, 2026. Accounting principles customarily employed in the determination of net revenues have been observed and in all instances exclude depreciation. Reference is made to "APPENDIX A" for further and complete information.

	Fiscal Year Ended April 30				
	2026	2025	2024	2023	2022
Revenues:					
Water Service	$ 776,580	$ 1,093,207	$ 615,433	$ 466,618	$ 426,267
Sewer Service	1,357,510	1,771,336	1,048,029	858,693	731,868
Property Taxes	2,654,023	1,324,388	1,039,876	926,673	723,252
Penalties and Interest	69,837	65,048	56,856	41,071	30,184
Tap Connection and Inspection	424,585	521,258	1,356,049	68,768	259,804
Fire Protection Service	274,268	277,684	254,964	261,662	263,333
Surface Water	749,267	645,517	531,828	362,875	318,727
Tax increment - Fort Bend County	-	625,637	-	-	-
Miscellaneous	154,199	117,573	111,834	113,827	71,429
Investment Earnings	150,988	217,028	194,836	79,970	8,604
Total Revenue	$ 6,611,257	$ 6,658,676	$ 5,209,705	$ 3,180,157	$ 2,833,468
Expenditures:					
Professional Fees	$ 591,639	$ 570,292	$ 444,541	$ 379,194	$ 372,383
Contracted Services	1,680,871	1,662,747	1,018,848	855,086	564,841
Repairs and Maintenance	1,184,763	1,113,398	822,584	710,023	730,321
Smart Meter Installation	-	-	-	29,740	485,704
Utilities	210,078	159,123	167,359	175,501	159,027
Fire Protection Services	268,660	266,920	258,460	258,120	255,740
Surface Water	625,236	577,192	498,892	326,765	303,945
Administrative	169,413	171,083	167,124	130,479	99,138
Other	148,568	154,423	82,252	54,027	62,952
Capital Outlay	965,076	2,143,116	1,050,651	1,964,296	981,711
Developer Interest	-	-	-	-	569
Total Expenditures	$ 5,844,304	$ 6,818,294	$ 4,510,711	$ 4,883,231	$ 4,016,331
NET REVENUES	$ 766,953	$ (159,618)	$ 698,994	$ (1,703,074)	$ (1,182,863)
Other Financing Sources					
Internal Transfers	$ (712,752)	$ -	$ -	$ -	$ -
Capital Recovery Fees	$ -	$ -	$ 1,047,673 (a)	$ 2,133,271 (a)	$ 357,825 (a)
General Operating Fund Balance (Beginning of Year)	$ 4,534,684	$ 4,694,302	$ 2,947,635	$ 2,517,438	$ 3,342,476
General Operating Fund Balance (End of Year)	$ 4,588,885	$ 4,534,684	$ 4,694,302	$ 2,947,635	$ 2,517,438

(a) Represents the capital recovery fees received from Lamar Consolidated Independent School District.

TAX DATA

Debt Service Tax

The Board covenants in the Bond Resolution to levy and assess, for each year that all or any part of the Bonds and the Outstanding Bonds remain outstanding and unpaid, a tax adequate to provide funds to pay the principal of and interest on the Bonds. See "Historical Tax Rate Distribution" and "Tax Roll Information" below, and "TAXING PROCEDURES."

Maintenance and Operations Tax

The Board has the statutory authority to levy and collect an annual ad valorem tax for the operation and maintenance of the District, if such a maintenance tax is authorized by the District's voters. A maintenance tax election was conducted November 8, 2005, and voters of the District authorized, among other things, the Board to levy a maintenance tax at a rate not to exceed $1.50 per $100 of taxable assessed valuation. A maintenance tax is in addition to taxes which the District is authorized to levy for paying principal of and interest on the Bonds. See "Debt Service Tax" above "Historical Tax Rate Distribution" below.

Historical Tax Rate Distribution

	Anticipated 2026 (a)	2025	2024	2023	2022
Debt Service Tax Rate	$0.7750	$0.6000	$0.8150	$0.7950	$0.7850
Maintenance & Operations Tax Rate	0.3728	0.5000	0.3050	0.3250	0.3350
Total District Tax Rate	$1.1478	$1.1000	$1.1200	$1.1200	$1.1200

(a) The District authorized publication of its intent to level a total tax rate of $1.1478 per $100 of taxable assessed valuation for tax year 2026, of which $0.7750 per $100 of taxable assessed valuation is allocated to debt service and $0.3728 per $100 of taxable assessed valuation is allocated to maintenance and operations. The District expects to adopt such tax rate in September. At that time, the Board of Directors of the District may decide to adopt a lower tax rate, but the total tax rate will not exceed $1.1478.

Exemptions

The District has adopted a $10,000 exemption to residential homesteads of persons who are 65 years of age or older or disabled.

Historical Tax Collections

The following statement of tax collections sets forth in condensed form a portion of the historical tax experience of the District. Such table has been prepared for inclusion herein, based upon information obtained from the District's Tax Assessor/Collector. Reference is made to such statements and records for further and complete information. See "Tax Roll Information" below.

	Taxable Assessed Valuation (a)	Tax Rate	Total (b) Tax Levy	Total Collections As of 6/30/2026 (c) Amount	Percent
2021	$ 194,535,239	$ 1.12	$2,178,795	$ 2,178,678	99.99%
2022	277,305,457	1.12	3,105,821	3,105,338	99.98%
2023	323,429,722	1.12	3,622,413	3,617,906	99.88%
2024	429,861,716	1.12	4,814,451	4,805,318	99.81%
2025	538,622,060	1.10	5,924,843	5,892,772	99.46%

(a) Net valuation represents taxable assessed value as certified by the Appraisal District less any exemptions granted. See "Tax Roll Information" herein for gross assessed value and exemptions granted by the District.
(b) Represents actual tax levy, including any adjustments by the Appraisal District, as of the date hereof.
(c) Unaudited.

Tax Roll Information

The District's assessed value as of January 1 of each year is used by the District in establishing its tax rate (see "TAXING PROCEDURES—Valuation of Property for Taxation"). The following represents the composition of property comprising the 2022 through 2026 Taxable Assessed Valuations, and the Estimated Taxable Assessed Valuation as of June 1, 2026, of $671,189,481. Taxes are levied on taxable value certified by the Appraisal District as of January 1 of each year.

	Type of Property			Gross	Deferments	Value	Taxable
Tax Year	Land	Improvements	Personal Property	Assessed Valuation	and Exemptions	Subject To Change	Assessed Valuation
Estimate of Value as of 6/1/26 (a)	$ 173,233,413	$ 716,853,895	$ 66,618	$ 890,153,926	$ (242,866,510)	$ 23,902,065	$ 671,189,481
2026	148,090,669	688,654,489	2,759,643	839,504,801	(242,980,078)	14,347,228	610,871,951
2025	133,283,743	640,310,193	3,546,601	777,140,537	(238,518,477)	-	538,622,060
2024	106,524,058	554,946,984	2,980,403	664,451,445	(234,589,729)	-	429,861,716
2023	60,672,815	477,852,625	1,750,116	540,275,556	(216,845,834)	-	323,429,722
2022	48,017,590	395,468,853	1,581,240	445,067,683	(167,762,226)	-	277,305,457

(a) Provided by the Appraisal District for informational purposes only. Such amount reflects an estimate of the taxable assessed value within the District on June 1, 2026. Increases in value that occur between January 1, 2026 and June 1, 2026 will be assessed for purposes of taxation on January 1, 2027. No tax will be levied on such amount until it is certified. See "TAXING PROCEDURES."

Principal Taxpayers

The following table represents the ten principal taxpayers, the taxable assessed value of such property, and such property's taxable assessed valuation as a percentage of the certified portion ($596,524,723) of the 2026 Taxable Assessed Valuation of $610,871,951. This represents ownership as of January 1, 2026. Accurate principal taxpayer lists related to the uncertified portion ($14,347,228) of the 2026 Taxable Assessed Valuation, and the Estimated Taxable Assessed Valuation as of June 1, 2026 of $671,189,481, are not available.

Taxpayer	2026 Certified Taxable Assessed Valuation	% of 2026 Certified Taxable Assessed Valuation
Beazer Homes Texas LP (a)	$ 15,563,712	2.61%
Individual	5,923,972	0.99%
DFH Coventry LLC	2,636,993	0.44%
Lennar Homes of Texas Land and Construction Ltd (a)	2,319,240	0.39%
Centerpoint Energy Electric	2,077,450	0.35%
TPG AG EHC Len Multi State 6 LLC	1,946,160	0.33%
6538 Greatwood LLC	1,428,391	0.24%
Progress Residential Borrower 5 LLC	1,373,964	0.23%
AMH 2015-2 Borrower LLC	1,114,000	0.19%
Individual	1,032,068	0.17%
Total	$ 35,415,950	5.94%

(a) See "THE DEVELOPERS."

Tax Adequacy for Debt Service

The tax rate calculations set forth below are presented to indicate the tax rates per $100 taxable assessed valuation which would be required to meet average annual and maximum annual debt service requirements if no growth in the District's tax base occurred beyond the 2026 Taxable Assessed Valuation of $610,871,951 ($596,524,723 certified value and $14,347,228 uncertified value) or the Estimated Taxable Assessed Valuation as of June 1, 2026 of $671,189,481. The calculations contained in the following table merely represent the tax rates required to pay principal of and interest on the Bonds and the Outstanding Bonds when due, assuming no further increase or any decrease in taxable values in the District, collection of ninety-five percent (95%) of taxes levied, the sale of no additional bonds, and no other funds available for the payment of debt service. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Debt Service Requirements" and "INVESTMENT CONSIDERATIONS—Possible Impact on District Tax Rates."

Average Annual Debt Service Requirement (2027-2051)	$3,296,666
$0.57 Tax Rate on the 2026 Taxable Assessed Valuation	$3,307,872
$0.52 Tax Rate on Estimated Taxable Assessed Valuation as of June 1, 2026	$3,315,676
Maximum Annual Debt Service Requirement (2027)	$4,774,117
$0.83 Tax Rate on the 2026 Taxable Assessed Valuation	$4,816,725
$0.75 Tax Rate on Estimated Taxable Assessed Valuation as of June 1, 2026	$4,782,225

No representation or suggestion is made that the uncertified portion of the 2026 Taxable Assessed Valuation or the Estimated Taxable Assessed Valuation as of June 1, 2026 provided by the Appraisal District for the District will be certified as taxable value by the Appraisal District, and no person should rely upon such amounts or their inclusion herein as assurance of their attainment. See "TAXING PROCEDURES."

TAXING PROCEDURES

Authority to Levy Taxes

The Board is authorized to levy an annual ad valorem tax, without legal limitation as to rate or amount, on all taxable property within the District in an amount sufficient to pay the principal of and interest on the Bonds, the Outstanding 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 Resolution 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 may also levy and collect an annual ad valorem tax for the operation and maintenance of the District. See "TAX DATA—Debt Service Tax" and "—Maintenance and Operations Tax."

Property Tax Code and County-Wide Appraisal District

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

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

Property Subject to Taxation by the District

Except for certain exemptions provided by Texas law, all real property, tangible personal property held or used for the production of income, mobile homes and certain categories of intangible personal property with a tax situs in the District are subject to taxation by the District. Beginning in the 2026 tax year, all intangible personal property is exempt from taxation by the State of Texas. Principal categories of exempt property include, but are not limited to: property owned by the State of Texas or its political subdivisions if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies, and personal effects; certain goods, wares and merchandise in transit; farm products owned by the producer; certain property of charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; and most individually owned automobiles. In addition, the District may by its own action exempt residential homesteads of persons sixty-five (65) years of age or older and of certain disabled persons to the extent deemed advisable by the Board. The District may be required to call such an election upon petition by twenty percent (20%) of the number of qualified voters who voted in the previous election. The District is authorized by statute to disregard exemptions for the disabled and elderly if granting the exemption would impair the District's obligation to pay tax supported debt incurred prior to adoption of the exemption by the District. For the tax year 2026, the District granted a $10,000 homestead exemption for individuals disabled and/or 65 years of age or older. Furthermore, the District must grant exemptions to disabled veterans or certain surviving dependents of disabled veterans, if requested, of between $5,000 and $12,000 of taxable valuation depending upon the disability rating of the veteran claiming the exemption, and qualifying surviving spouses of persons 65 years of age or older will be entitled to receive a residential homestead exemption equal to the exemption received by the deceased spouse. A veteran who receives a disability rating of 100% is entitled to an exemption for the full amount of the veteran's residential homestead. Additionally, subject to certain conditions, the surviving spouse of a disabled veteran who is entitled to an exemption for the full value of the veteran's residence homestead is also entitled to an exemption from taxation of the total appraised value of the same property to which the disabled veteran's exemption applied. A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran's disability rating if the residence homestead was donated by a charitable organization. Also, the surviving spouse of a member of the armed forced who was killed or fatally injured in the line of duty is, subject to certain conditions, entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead spouse. The surviving spouse of a first responder who was killed or fatally injured in the line of duty is, subject to certain conditions, also entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and, subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse. See "TAX DATA."

Residential Homestead Exemptions: The Property Tax Code authorizes the governing body of each political subdivision in the State of Texas to exempt up to twenty percent (20%) of the appraised value of residential homesteads from ad valorem taxation. Where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged, if the cessation of the levy would impair the obligations of the contract by which the debt was created. The adoption of a homestead exemption may be considered each year, but must be adopted before July 1. See "TAX DATA." The District does not currently grant a residential homestead exemption.

Freeport Goods 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 is applicable to the same categories of tangible personal property which are covered by the Freeport Exemption, if, for tax year 2011 and prior applicable years, such property is acquired in or imported into Texas for assembling, storing, manufacturing, processing, or fabricating purposes and is subsequently forwarded to another location inside or outside of Texas not later than 175 days after acquisition or importation, and the location where said property is detained during that period is not directly or indirectly owned or under the control of the property owner. For tax year 2012 and subsequent years, such Goods-in-Transit Exemption includes tangible personal property acquired in or imported into Texas for storage purposes only if such property is stored under a contract of bailment by a public warehouse operator at one or more public warehouse facilities in Texas that are not in any way owned or controlled by the owner of such property for the account of the person who acquired or imported such property. A property owner who receives the Goods-in-Transit Exemption is not eligible to receive the Freeport Exemption for the same property. Local taxing units such as the District may, by official action and after public hearing, tax goods-in-transit personal property. A taxing unit must exercise its option to tax goods-in-transit property before January 1 of the first tax year in which it proposes to tax the property at the time and in the manner prescribed by applicable law. The District has taken official action to allow taxation of all such goods-in-transit personal property for all prior and subsequent years.

Tax Abatement

The County, the City and/or the District, under certain circumstances, may enter into tax abatement agreements with owners of property within the zone. Prior to entering into a tax abatement agreement, each entity must adopt guidelines and criteria for establishing tax abatement, which each entity will follow in granting tax abatement to owners of property. The tax abatement agreements may exempt from ad valorem taxation by each of the applicable taxing jurisdictions, including the District, for a period of up to ten (10) years, all or any part of any increase in the appraised valuation of property covered by the agreement over its appraised valuation in the year in which the agreement is executed, on the condition that the property owner make specified improvements or repairs to the property in conformity with the terms of the tax abatement agreement. Each taxing jurisdiction has discretion to determine terms for its tax abatement agreements without regard to the terms approved by the other taxing jurisdictions.

Fort Bend County Reinvestment Zone No. 1

In 2022, the County designated approximately 4,075 acres as the TIRZ, including all of the land within the District. The County agreed to allocate 75% of the Tax Increment (as defined herein) to the District for implementation of the Plan. Fort Bend County has designated all of the area within the District within the TIRZ. The District will receive payments from the County on a quarterly basis, and such revenues may be pledged as security for future District contract revenue bonds. The TIRZ does not result in a separate or additional tax on land within the District, but instead allocates a portion of the County's collected ad valorem taxes to the District to fund public improvements. In the Event that the constitutional amendment which created the TIRZ is deemed invalid, Fort Bend County will continue to contribute 75% of its Tax Increment to the District pursuant to an agreement authorized by Chapter 381 of the Texas Local Government Code. See "TRI-PARTY AGREEMENT."

Valuation of Property for Taxation

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

Nevertheless, certain land may be appraised at less than market value under the Property Tax Code. In November 1997, Texas voters approved a constitutional amendment to limit increases in the appraised value of residence homesteads to ten percent (10%) annually regardless of the market value of the property. The Property Tax Code permits land designated for agricultural use, open space or timberland to be appraised at its value based on the land's capacity to produce agricultural or timber products rather than at its fair market value. The Property Tax Code permits under certain circumstances that residential real property inventory held by a person in the trade or business be valued at the price all such property would bring if sold as a unit to a purchaser who would continue the business. Provisions of the Property Tax Code are complex and are not fully summarized here. Landowners wishing to avail themselves of the agricultural use, open space or timberland designation or residential real property inventory designation must apply for the designation and the appraiser is required by the Property Tax Code to act on each claimant's right to the designation individually. A claimant may waive the special valuation as to taxation by some political subdivisions while claiming it as to another. If a claimant receives the agricultural use designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use, including taxes for the previous three (3) years for agricultural use, open space land and timberland.

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

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

District and Taxpayer Remedies

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

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

Levy and Collection of Taxes

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

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

Additional Penalties

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

Tax Payment Installments After Disaster

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

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

Rollback of Operation and Maintenance Tax Rate

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

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

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

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

The District: A determination as to a district's status as a Special Taxing Unit, Developed District or Developing District is made by the Board of Directors on an annual basis. The District was designated as a "Developing District" for tax year 2026. The District cannot give any assurances as to what its classification will be at any point in time or whether the District's future tax rates will result in a total tax rate that will reclassify the District into a new classification and new election calculation.

District's Rights in the Event of Tax Delinquencies

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

At any time after taxes on property become delinquent, the District may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both subject to the restrictions on residential homesteads described in the preceding section under "Levy and Collection of Taxes". In filing a suit to foreclose a tax lien on real property, the District must join other taxing units that have claims for delinquent taxes against all or part of the same property. Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, by taxpayer redemption rights or by bankruptcy proceedings which restrict the collection of taxpayer debts. A taxpayer may redeem property within six (6) months for commercial property and two (2) years for residential and all other types of property after the purchaser's deed issued at the foreclosure sale is filed in the county records. See "INVESTMENT CONSIDERATIONS—General" and "—Tax Collection Limitations and Foreclosure Remedies."

INVESTMENT CONSIDERATIONS

General

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

Undeveloped Acreage, Vacant Land and Vacant Lots

There are approximately 126 developable acres of land within the District that have not yet been provided with water, sanitary sewer, storm sewer, park, road and other facilities necessary for the construction of taxable improvements. In addition, there are 161 vacant developed lots and 119 lots under construction on approximately 47 acres in the District with completion expected by the fourth quarter of 2026. The District makes no representation as to when or if development of the undeveloped acreage will occur, or that the lot sales and building program will be successful. Failure of the Developers to develop the developable land or of builders to build taxable improvements on the lots could restrict the rate of growth of taxable values in the District. See "THE DISTRICT—Land Use" and "—Status of Development."

Economic Factors and Interest Rates

A substantial percentage of the taxable value of the District results from the current market value of single-family residences, undeveloped land and developed lots available for the construction of primary residences. The market value of such properties is related to general economic conditions in the greater Houston metropolitan region and the national economy and those conditions can affect the demand for properties. Demand for residential tracts and the construction of residential dwellings on vacant lots can be significantly affected by factors such as interest rates, credit availability (see "Credit Markets and Liquidity in the Financial Markets" below), construction costs, energy availability, energy prices and the prosperity and demographic characteristics of the urban center toward which the marketing of such properties is directed. Decreased levels of construction activity would tend to restrict the growth of property values in the District or could adversely impact such values.

Credit Markets and Liquidity in the Financial Markets

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

Competition

The demand for and construction of single-family homes in the District, which is 30 miles from the central downtown business district of the City of Houston, could be affected by competition from other residential developments including other residential developments located in the western portion of the Houston metropolitan area. In addition to competition for new home sales from other developments, there are numerous previously-owned homes in the area of the District and in more established neighborhoods closer to downtown Houston. Such homes could represent additional competition for new homes proposed to be sold within the District.

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

Increase in Costs of Building Materials and Labor Shortages

As a result of supply issues, shipping constraints, and ongoing trade disputes (including tariffs), there have been recent substantial increases in the cost of lumber and other building materials, causing many homebuilders and general contractors to experience budget overruns. Further, the unpredictable nature of current trade policy (including the threatened imposition of tariffs) may impact the ability of the Developers or homebuilders in the District to estimate costs. Additionally, immigration policies may affect the State's workforce, and any labor shortages that could occur may impact the rate of construction within the District. Uncertainty surrounding availability and cost of materials may result in decreased levels of construction activity, and may restrict the growth of property values in the District. 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 Developers or homebuilders.

Possible Impact on District Tax Rates

Assuming no further development, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of owners of property within the District to pay their taxes. The 2026 Taxable Assessed Valuation is $610,871,951 ($596,524,723 certified value and $14,347,228 uncertified value). After issuance of the Bonds, the maximum annual debt service requirement will be $4,774,117 (2027), and the average annual debt service requirement will be $3,296,666 (2027-2051 inclusive). Assuming no increase or decrease from the 2026 Taxable Assessed Valuation, the issuance of no additional debt, and no other funds available for the payment of debt service, tax rates of $0.83 and $0.57 per $100 of taxable assessed valuation at a ninety-five percent (95%) collection rate would be necessary to pay the maximum annual debt service requirement and the average annual debt service requirement, respectively. The Estimated Taxable Assessed Valuation as of June 1, 2026, is $671,189,481, which reduces the above calculations to $0.75 and $0.52 per $100 of taxable assessed valuation, respectively.

No representation or suggestion is made that the uncertified portion of the 2026 Taxable Assessed Valuation or the Estimated Taxable Assessed Valuation as of June 1, 2026 provided by the Appraisal District for the District will be certified as taxable value by the Appraisal District, and no person should rely upon such amounts or their inclusion herein as assurance of their attainment. See "TAXING PROCEDURES."

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 or homebuilding activity within the District. The District cannot predict the impact that negative conditions in the oil and gas industry could have on property values in the District.

Extreme Weather Events

The greater Houston area, including the District, is subject to occasional severe weather events, including tropical storms and hurricanes. If the District were to sustain damage to its facilities requiring substantial repair or replacement, or if substantial damage were to occur to taxable property within the District as a result of such a weather event, the investment security of the Bonds could be adversely affected. The greater Houston area has experienced multiple storms exceeding a 0.2% probability (i.e. "500-year flood" events) since 2015 including Hurricane Harvey, which made landfall along the Texas Gulf Coast on August 26, 2017, and brought historic levels of rainfall during the successive four days.

According to the Operator and Engineer, the District's water and wastewater system sustained no material damage and there was no interruption of water and sewer service as a result of Hurricane Harvey. Further, according to the Operator and Engineer, no homes within the District experienced structural flooding or other material damage as a result of Hurricane Harvey.

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

Specific Flood Type Risks

River (or Fluvial) Flood: A river (or fluvial) flood 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 sheetflow overland. 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 floods are very dangerous and destructive not only because of the force of the water, but also the hurtling debris that is often swept up in the flow. They can occur within minutes or a few hours of excessive rainfall. They can also occur even if no rain has fallen, for instance, after a levee , dam or reservoir has failed, or after a sudden release of water by a debris or ice jam. Controlled releases from a dam, levee, or reservoir also could potentially create a flooding condition in rivers, bayous or man-made drainage systems (canals or channels) downstream.

Ponding (or Pluvial) Flood: A ponding (or pluvial) flood occurs when heavy rainfall creates a flood event independent of an overflowing water body, typically in relatively flat areas. Intense rainfall can over capacitate a drainage system which becomes trapped and flows out into streets and nearby structures until it reaches a natural outlet. Ponding can also occur in a flood pool upstream or behind a dam, or levee, or reservoir.

Tax Collections Limitations and Foreclosure Remedies

The District's ability to make debt service payments may be adversely affected by its inability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien in favor of the District on a parity with the liens of all other local taxing authorities on the property against which taxes are levied, and such lien may be enforced by judicial 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, or (c) market conditions affecting the marketability of taxable property within the District and limiting the proceeds from a foreclosure sale of such property. Moreover, the proceeds of any sale of property within the District available to pay debt service on the Bonds may be limited by the existence of other tax liens on the property (see "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Overlapping Taxes"), by the current aggregate tax rate being levied against the property, and by other factors (including the taxpayers' right to redeem property within two years of foreclosure for residential and agricultural use property and six months for other property). Finally, any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within the District pursuant to the Federal Bankruptcy Code could stay any attempt by the District to collect delinquent ad valorem taxes assessed against such taxpayer. In addition to the automatic stay against collection of delinquent taxes afforded a taxpayer during the pendency of a bankruptcy, a bankruptcy could affect payment of taxes in two other ways: first, a debtor's confirmation plan may allow a debtor to make installment payments on delinquent taxes for up to six years; and, second, a debtor may challenge, and a bankruptcy court may reduce, the amount of any taxes assessed against the debtor, including taxes that have already been paid.

Registered Owners' Remedies and Bankruptcy Limitations

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

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

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

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

A district may not be forced into bankruptcy involuntarily.

Future Debt

The District has the right to issue obligations other than the Bonds, including tax anticipation notes and bond anticipation notes, and to borrow for any valid corporate purpose. At a bond election held within the District on November 8, 2005, the voters of the District authorized the issuance of $27,735,000 unlimited tax bonds for the purpose of purchasing and constructing water, wastewater and/or storm drainage facilities (the "Facilities"), of which no bond authorization remains, and $16,645,000 principal amount of unlimited tax bonds for refunding such bonds, of which $16,345,000 principal amount of authorization remains. At bond elections held within the District on November 5, 2019 and May 4, 2024, the District's voters authorized the issuance of an aggregate $370,000,000 principal amount of unlimited tax bonds for constructing and purchasing the Facilities and refunding such bonds. After the issuance of the Bonds, the District will have $333,605,000 principal amount of unlimited tax bonds for constructing and purchasing the Facilities and refunding such bonds authorized but unissued. The District's voters have also authorized the issuance of an aggregate $56,150,000 principal amount of unlimited tax bonds for the purpose of purchasing and constructing park and recreational facilities and refunding such bonds, of which $52,825,000 remains authorized but unissued. Further, the principal amount of unlimited tax bonds issued by the District for constructing and/or acquiring park and recreational facilities may not exceed one percent (1%) of the District's certified taxable assessed valuation, unless the District meets certain financial feasibility requirements under the TCEQ rules, in which case the outstanding principal amount of such bonds issued by the District may exceed an amount equal to one percent (1%) but not greater than three percent (3%) of the value of the taxable property in the District. In addition, voters may authorize the issuance of additional bonds secured by ad valorem taxes, including road bonds and park bonds. The issuance of additional obligations may increase the District's tax rate and adversely affect the security for, and the investment quality and value of, the Bonds. See "THE BONDS—Issuance of Additional Debt."

After reimbursement with proceeds of the Bonds the District will continue to owe approximately $17,600,000 to the Developers for financing water, wastewater and/or storm drainage facilities and park and recreational facilities. The District intends to issue additional bonds in order to develop the remainder of undeveloped but developable land (approximately 126 acres). The District does not employ any formula with respect to taxable assessed valuations, tax collections or otherwise to limit the amount of parity bonds which it may issue. The issuance of additional bonds related to water, wastewater, storm drainage facilities and/or parks and recreational facilities is subject to approval by the TCEQ pursuant to its rules regarding issuance and feasibility of bonds. In addition, future changes in health or environmental regulations could require the construction and financing of additional improvements without any corresponding increases in taxable value in the District.

Environmental Regulation

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 Polyflouroalkyl Substances ("PFAS"), which requires public water systems to perform certain monitoring and remediation measures. Public water systems may be subject to additional PFAS regulation in the future, which could increase the cost of constructing, operating, and maintaining water production and distribution facilities.

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

The District is subject to the TCEQ's General Permit for Phase II (Small) Municipal Separate Storm Sewer Systems (the "MS4 Permit"), which was issued by the TCEQ on August 15, 2024. The MS4 Permit authorizes the discharge of stormwater to surface water in the state from small municipal separate storm sewer systems. The District has applied for coverage under the MS4 Permit and is awaiting final approval from the TCEQ. In order to maintain compliance with the MS4 Permit, the District continues to develop, implement, and maintain the required plans, as well as to install or implement best management practices to minimize or eliminate unauthorized pollutants that may otherwise be found in stormwater runoff. Costs associated with these compliance activities could be substantial in the future.

Operations of utility districts, including the 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.

Marketability of the Bonds

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

Changes in Tax Legislation

Certain tax legislation, whether currently proposed or proposed in the future, may directly or indirectly reduce or eliminate the benefit of the exclusion of interest on the Bonds from gross income for federal 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.

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.

Continuing Compliance with Certain Covenants

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

Risk Factors Related to the Purchase of Municipal Bond Insurance

The District has applied for a bond insurance policy (the "Policy") to guarantee the scheduled payment of principal and interest on the Bonds. If the Policy is issued, investors should be aware of the following investment considerations:

The long-term ratings on the Bonds are dependent in part on the financial strength of the bond insurer (the "Insurer") and its claim 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 description of "MUNICIPAL BOND RATING AND MUNICIPAL BOND INSURANCE."

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 nor the Underwriter 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 and interest on the Bonds and the claims paying ability of the Insurer, particularly over the life of the investment. See "MUNICIPAL BOND RATING AND MUNICIPAL BOND INSURANCE" for further information provided by the Insurer and the Policy, which includes further instructions for obtaining current financial information concerning the Insurer.

MUNICIPAL BOND RATING AND MUNICIPAL BOND INSURANCE

Moody's Investors Service ("Moody's") has assigned an underlying rating of "Baa2" to the Bonds. An explanation of the rating may be obtained from Moody's. The rating fees of Moody's will be paid by the District; however, the fees associated with any other rating will be the responsibility of the Underwriter.

Application has also been made for the qualification of the Bonds for municipal bond insurance. If qualified, such insurance will be available at the option of the Underwriter and at the Underwriter's expense. The rating fees of Moody's will be paid by the District; any other rating fees associated with the insurance will be the responsibility of the Underwriter. See "INVESTMENT CONSIDERATIONS—Risk Factors Related to the Purchase of Municipal Bond Insurance."

There is no assurance that such rating will continue for any given period of time or that it will not be revised or withdrawn entirely by Moody's, if in its judgment, circumstances so warrant. Any such revisions or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

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 limitation as to rate or amount, upon all taxable property within the District, and, based upon their examination of a transcript of certified proceedings relating to the issuance and sale of the Bonds, the approving legal opinion of Bond Counsel to a like effect and to the effect that, under existing law, interest on the Bonds (i) is excludable from gross income for federal income tax purposes under section 103 of the Code (as defined herein), and (ii) is not an item of tax preference for purposes of the alternative minimum tax on individuals.

Bond Counsel has reviewed the information appearing in this OFFICIAL STATEMENT under "THE BONDS," "THE DISTRICT—General, Agreement with the City of Rosenberg," "TRI-PARTY AGREEMENT," "TAXING PROCEDURES," "LEGAL MATTERS," "TAX MATTERS" and "CONTINUING DISCLOSURE OF INFORMATION" solely to determine whether such information, insofar as it relates to matters of law, is true and correct and whether such information fairly summarizes matters of law 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 for the purpose of passing upon the accuracy or completeness of this OFFICIAL STATEMENT. No person is entitled to rely upon Bond Counsel's limited participation as an assumption of responsibility for or an expression of opinion of any kind with regard to the accuracy or completeness of any information contained herein.

Allen Boone Humphries Robinson LLP also serves as general counsel to the District on matters other than the issuance of bonds. The legal fees paid to Bond Counsel for services rendered in connection with the issuance of the Bonds are based on a percentage of the bonds actually issued, sold and delivered and, therefore, such fees are contingent upon the sale and delivery of the Bonds. Certain legal matters will be passed upon for the District by McCall Parkhurst & Horton LLP, as disclosure counsel.

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

No Material Adverse Change

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

No-Litigation Certificate

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

TAX MATTERS

The following discussion of certain federal income tax considerations is for general information only and is not tax advice. Each prospective purchaser of the Bonds should consult its own tax advisor as to the tax consequences of the acquisition, ownership and disposition of the Bonds.

Tax Exemption

In the opinion of Allen Boone Humphries Robinson LLP, Bond Counsel, under existing law, interest on the Bonds (i) is excludable from gross income for federal income tax purposes under section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) is not an item of tax preference for purposes of the alternative minimum tax on individuals.

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

Bond Counsel's opinion will assume continuing compliance with the covenants of the Bond Resolution pertaining to those sections of the Code that affect the excludability of interest on the Bonds from gross income for federal income tax purposes and, in addition, will rely on representations by the District and other parties involved with the issuance of the Bonds with respect to matters solely within the knowledge of the District and such parties, which Bond Counsel has not independently verified. If the District fails to comply with the covenants in the Bond Resolution or if the foregoing representations are determined to be inaccurate or incomplete, interest on the Bonds could become includable in gross income from the date of delivery of the Bonds, regardless of the date on which the event causing such inclusion occurs.

Bond Counsel will express no opinion as to the amount or timing of interest on the Bonds or, except as stated above, any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or acquisition, ownership or disposition of, the Bonds. Certain actions may be taken or omitted subject to the terms and conditions set forth in the Bond Resolution upon the advice or with the approving opinion of Bond Counsel. Bond Counsel will express no opinion with respect to Bond Counsel's ability to render an opinion that such actions, if taken or omitted, will not adversely affect the excludability of interest of the Bonds from gross income for federal income tax purposes.

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

Qualified Tax Exempt Obligations

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

The District will designate the Bonds as "qualified tax-exempt obligations" and has represented 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 2026 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 2026.

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

Additional Federal Income Tax Considerations

Collateral Tax Consequences: Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences, including but not limited to those noted below. Therefore, prospective purchasers of the Bonds should consult their own tax advisors as to the tax consequences of the acquisition, ownership and disposition of the Bonds.

An "applicable corporation" (as defined in section 59(k) of the Code) may be subject to a 15 percent alternative minimum tax imposed under section 55 of the Code on its "adjusted financial statement income" (as defined in section 56A of the Code) for such taxable year. Because interest on tax-exempt obligations, such as the Bonds, is included in a corporation's "adjusted financial statement income," ownership of the Bonds could subject certain corporations to alternative minimum tax consequences.

Ownership of tax-exempt obligations also may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, low and middle income taxpayers otherwise qualifying for the health insurance premium assistance credit and individuals otherwise qualifying for the earned income tax credit. In addition, certain foreign corporations doing business in the United States may be subject to the "branch profits tax" on their effectively connected earnings and profits, including tax-exempt interest such as interest on the Bonds.

Prospective purchasers of the Bonds should also be aware that, under the Code, taxpayers are required to report on their returns the amount of tax-exempt interest, such as interest on the Bonds, received or accrued during the year.The Bonds will not be designated "qualified tax-exempt obligations" for financial institutions.

Tax Accounting Treatment of Original Issue Premium: If the issue price of any maturity of the Bonds exceeds the stated redemption price payable at maturity of such Bonds, such Bonds (the "Premium Bonds") are considered for federal income tax purposes to have "bond premium" equal to the amount of such excess. The basis of a Premium Bond in the hands of an initial owner is reduced by the amount of such excess that is amortized during the period such initial owner holds such Premium Bond in determining gain or loss for federal income tax purposes. This reduction in basis will increase the amount of any gain or decrease the amount of any loss recognized for federal income tax purposes on the sale or other taxable disposition of a Premium Bond by the initial owner. No corresponding deduction is allowed for federal income tax purposes for the reduction in basis resulting from amortizable bond premium. The amount of bond premium on a Premium Bond that is amortizable each year (or shorter period in the event of a sale or disposition of a Premium Bond) is determined using the yield to maturity on the Premium Bond based on the initial offering price of such Premium Bond.

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

Tax Accounting Treatment of Original Issue Discount: If the issue price of any maturity of the Bonds is less than the stated redemption price payable at maturity of such Bonds (the "OID Bonds"), the difference between (i) the amount payable at the maturity of each OID Bond, and (ii) the initial offering price to the public of such OID Bond constitutes original issue discount with respect to such OID Bond in the hands of any owner who has purchased such OID Bond in the initial public offering of the Bonds. Generally, such initial owner is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such OID Bond equal to that portion of the amount of such original issue discount allocable to the period that such OID Bond continues to be owned by such owner. Because original issue discount is treated as interest for federal income tax purposes, the discussions regarding interest on the Bonds under the captions "TAX MATTERS—Tax Exemption" and "TAX MATTERS—Additional Federal Income Tax Considerations —Collateral Tax Consequences" and "—Tax Legislative Changes" generally apply and should be considered in connection with the discussion in this portion of the OFFICIAL STATEMENT.

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

The foregoing discussion assumes that (i) the Underwriter has purchased the Bonds for contemporaneous sale to the public and (ii) all of the OID Bonds have been initially offered, and a substantial amount of each maturity thereof has been sold, to the general public in arm's-length transactions for a price (and with no other consideration being included) not more than the initial offering prices thereof stated on the cover page of this OFFICIAL STATEMENT. Neither the District nor Bond Counsel has made any investigation or offers any assurance that the OID Bonds will be offered and sold in accordance with such assumptions.

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

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

Tax Legislative Changes: Current law may change so as to directly or indirectly reduce or eliminate the benefit of the excludability of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, could 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 recently enacted, proposed, pending or future legislation.

PREPARATION OF OFFICIAL STATEMENT

Sources and Compilation of Information

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

Financial Advisor

Masterson Advisors LLC is employed as the Financial Advisor to the District to render certain professional services, including advising the District on a plan of financing and preparing the OFFICIAL STATEMENT, including the OFFICIAL NOTICE OF SALE and the OFFICIAL BID FORM for the sale of the Bonds. In its capacity as Financial Advisor, Masterson Advisors LLC has compiled and edited this OFFICIAL STATEMENT. The Financial Advisor has reviewed the information in this OFFICIAL STATEMENT in accordance with, and as a part of, its responsibilities to the District and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

Consultants

In approving this OFFICIAL STATEMENT the District has relied upon the following consultants.

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

Engineer: The information contained in this OFFICIAL STATEMENT relating to engineering and to the description of the System and, in particular that information included in the sections entitled "THE DISTRICT" and "THE SYSTEM" has been provided Odyssey Engineering Group, LLC, Consulting Engineers and has been included herein in reliance upon the authority of said firm as experts in the field of civil engineering.

Auditor: The District's financial statements for the fiscal year ending April 30, 2026, were audited by McGrath & Co., PLLC, Certified Public Accountants and are included in "APPENDIX A."

Updating the Official Statement

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

Certification of Official Statement

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

CONTINUING DISCLOSURE OF INFORMATION

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

Annual Reports

The District will provide certain financial information and operating data annually to the MSRB. The financial information and operating data which will be provided with respect to the District includes all quantitative financial information and operating data of the general type included in this OFFICIAL STATEMENT under the headings "THE SYSTEM," "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)," except for "Estimated Overlapping Debt," "TAX DATA," and in APPENDIX A (Financial Statements of the District and certain supplemental schedules). The District will update and provide this information to the MSRB within six months after the end of each of its fiscal years ending in or after 2027. Any financial statements 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 period to the MSRB within such six month period, and audited financial statements when the audit report becomes available.

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

Event Notices

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

Availability of Information from the MSRB

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

Limitations and Amendments

The District has agreed to update information and to provide notices of specified events only as described above. The District has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects; nor has the District agreed to update any information that is provided, except as described above. The District makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The District disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although Registered or Beneficial Owners of Bonds may seek a writ of mandamus to compel the District to comply with its agreement.

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

Compliance With Prior Undertakings

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

MISCELLANEOUS

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

/s/ ___________________________
President, Board of Directors

ATTEST:

/s/ ___________________________
Secretary, Board of Directors

AERIAL PHOTOGRAPH
(As of June 2026)


FORT BEND COUNTY
MUNICIPAL UTILITY
DISTRICT NO. 162
F.M. 2977
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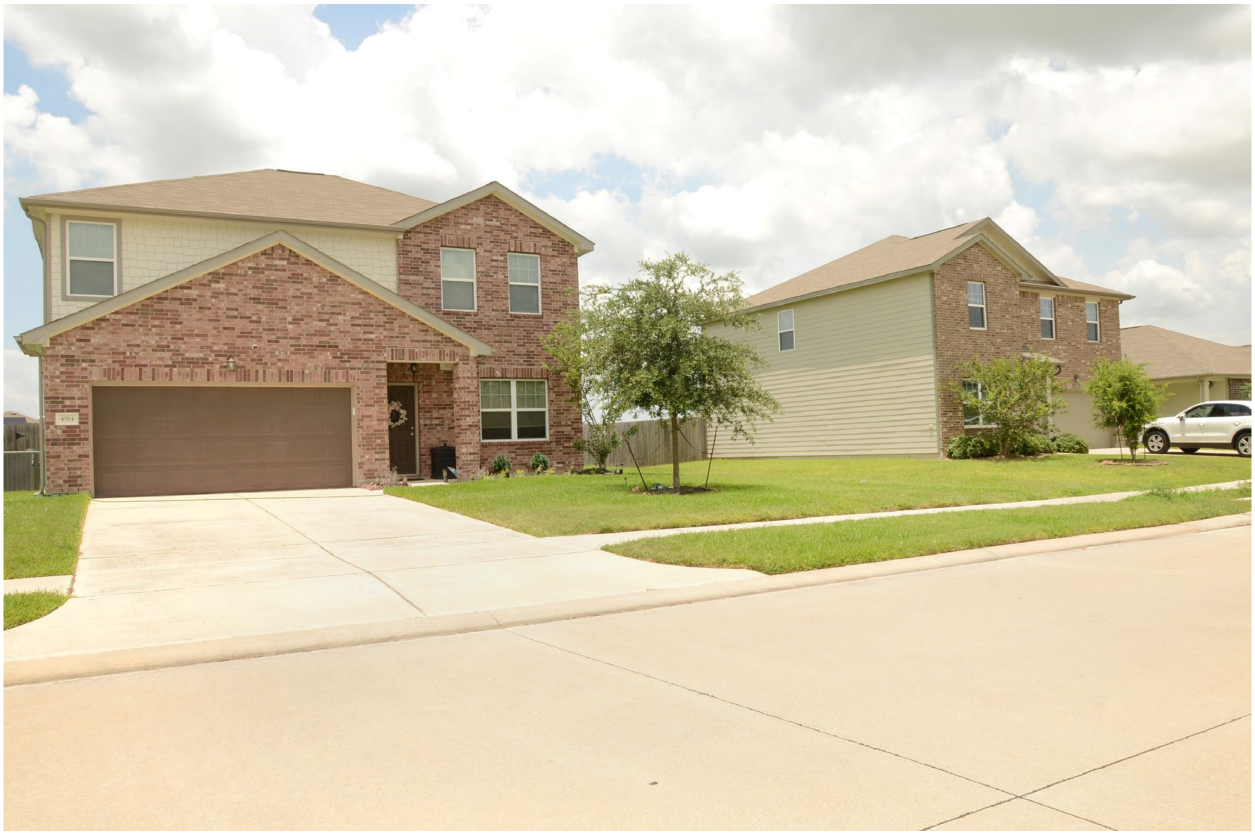
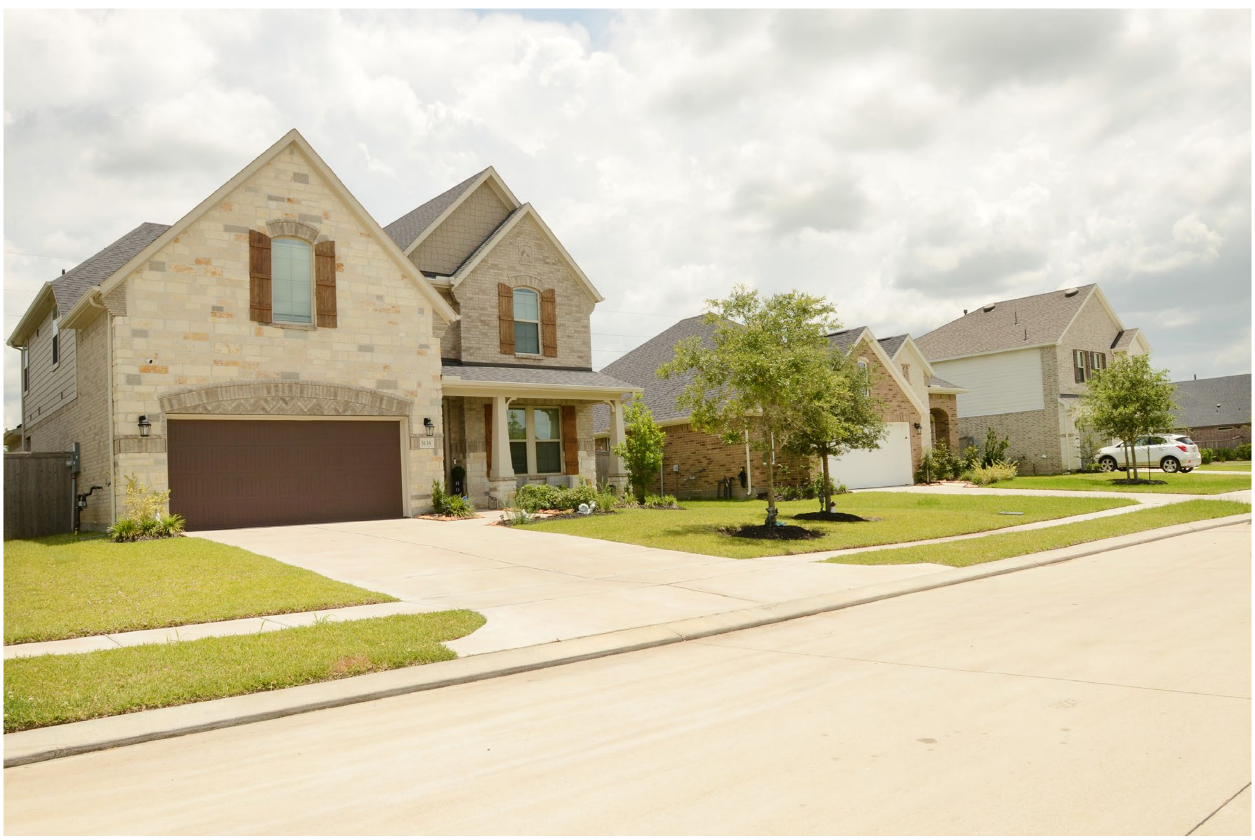
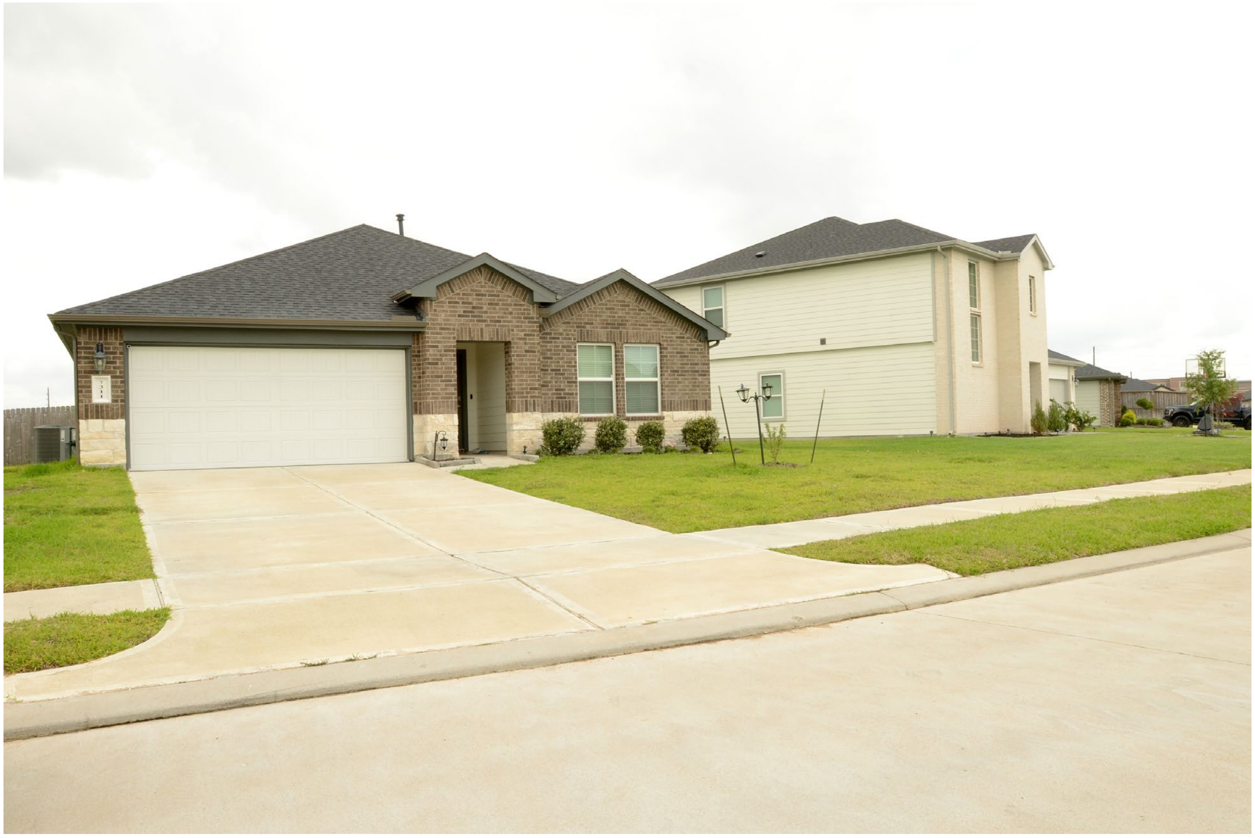
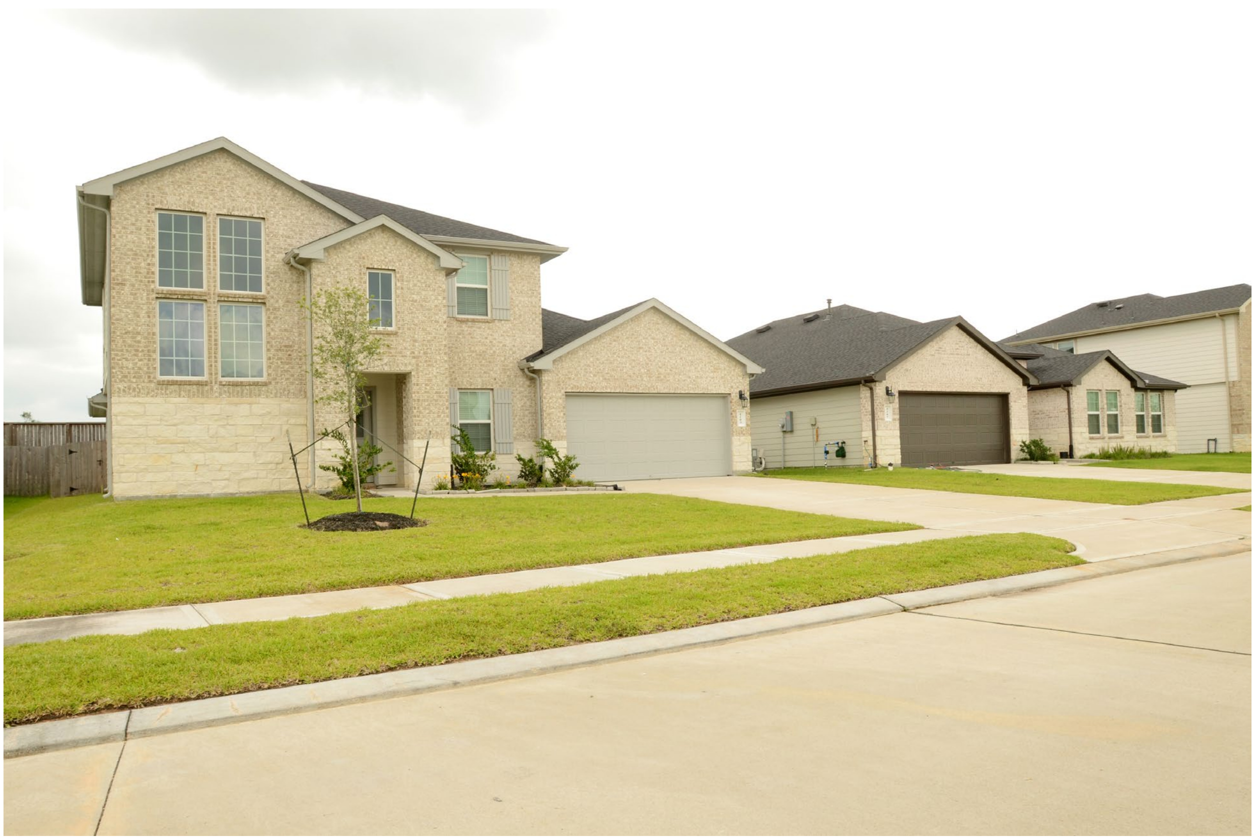
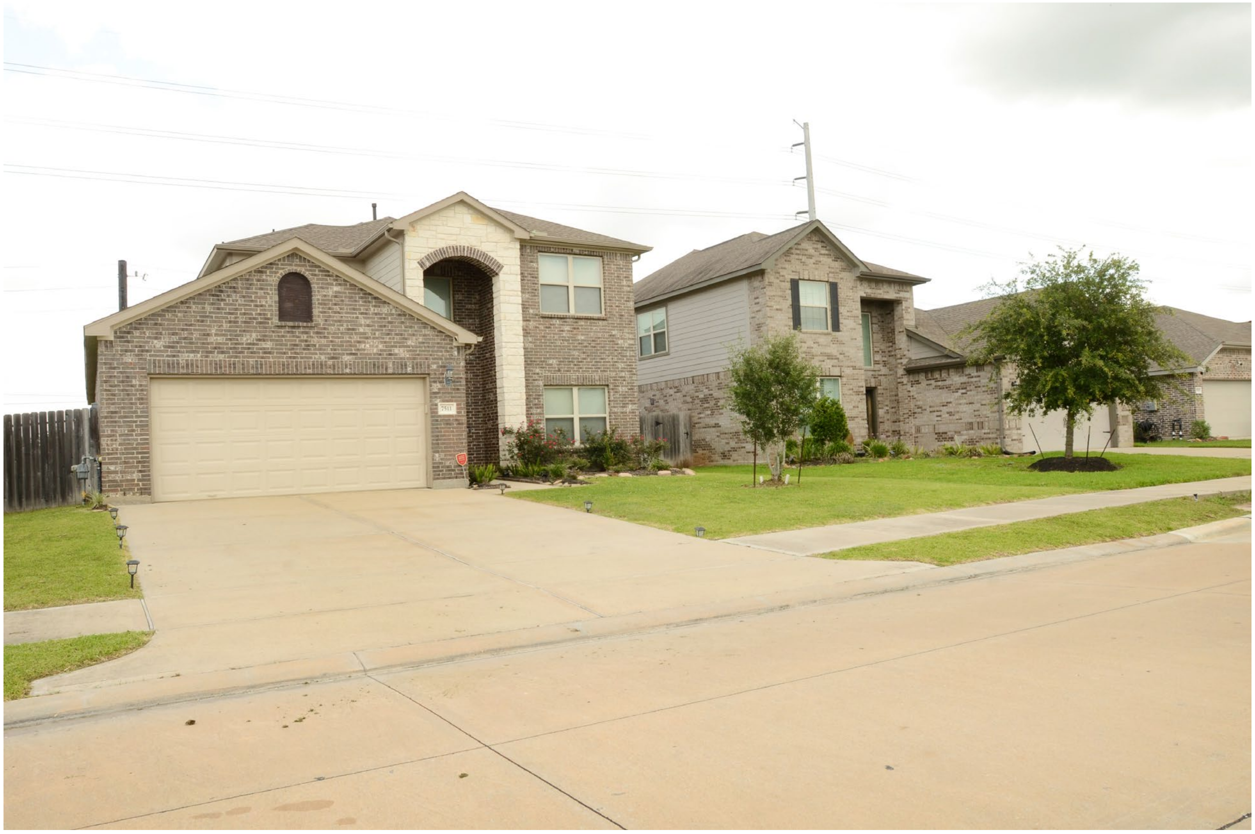
PHOTOGRAPHS OF THE DISTRICT
(As of June 2026)

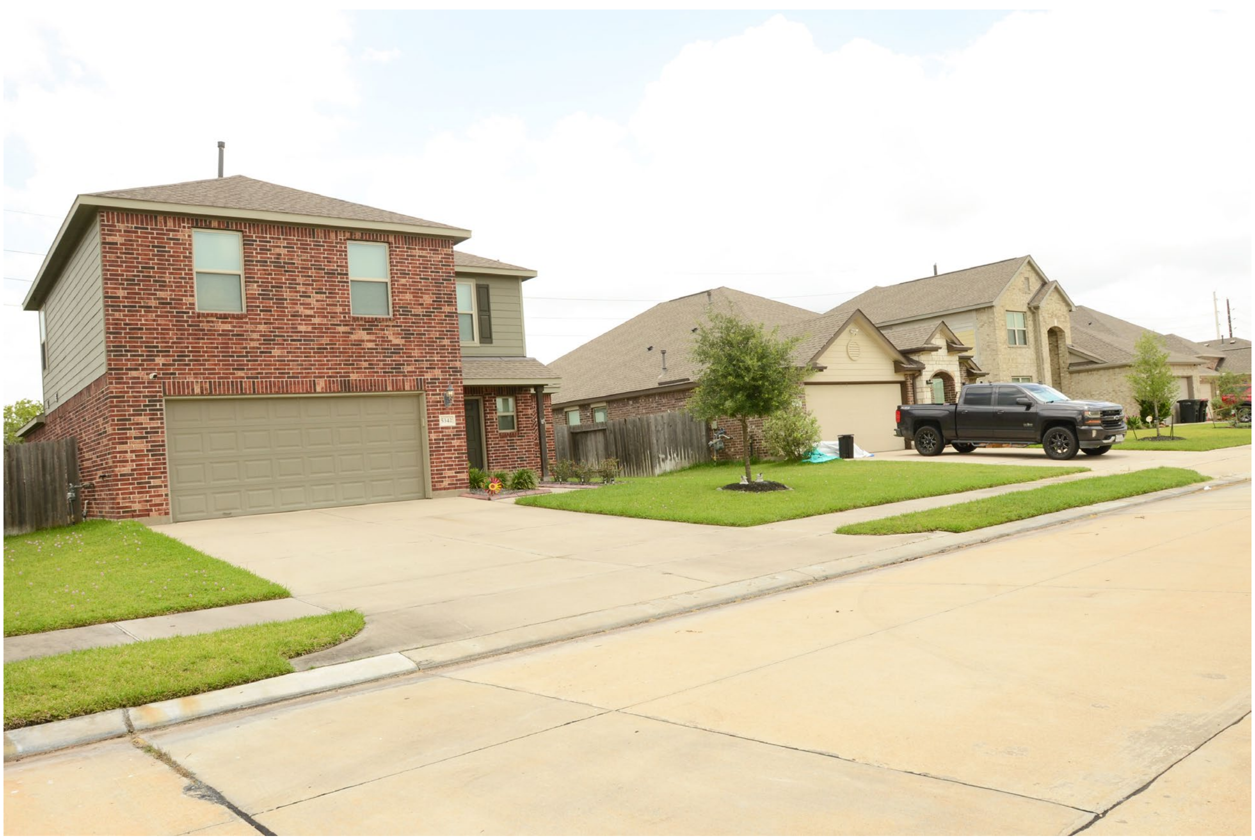


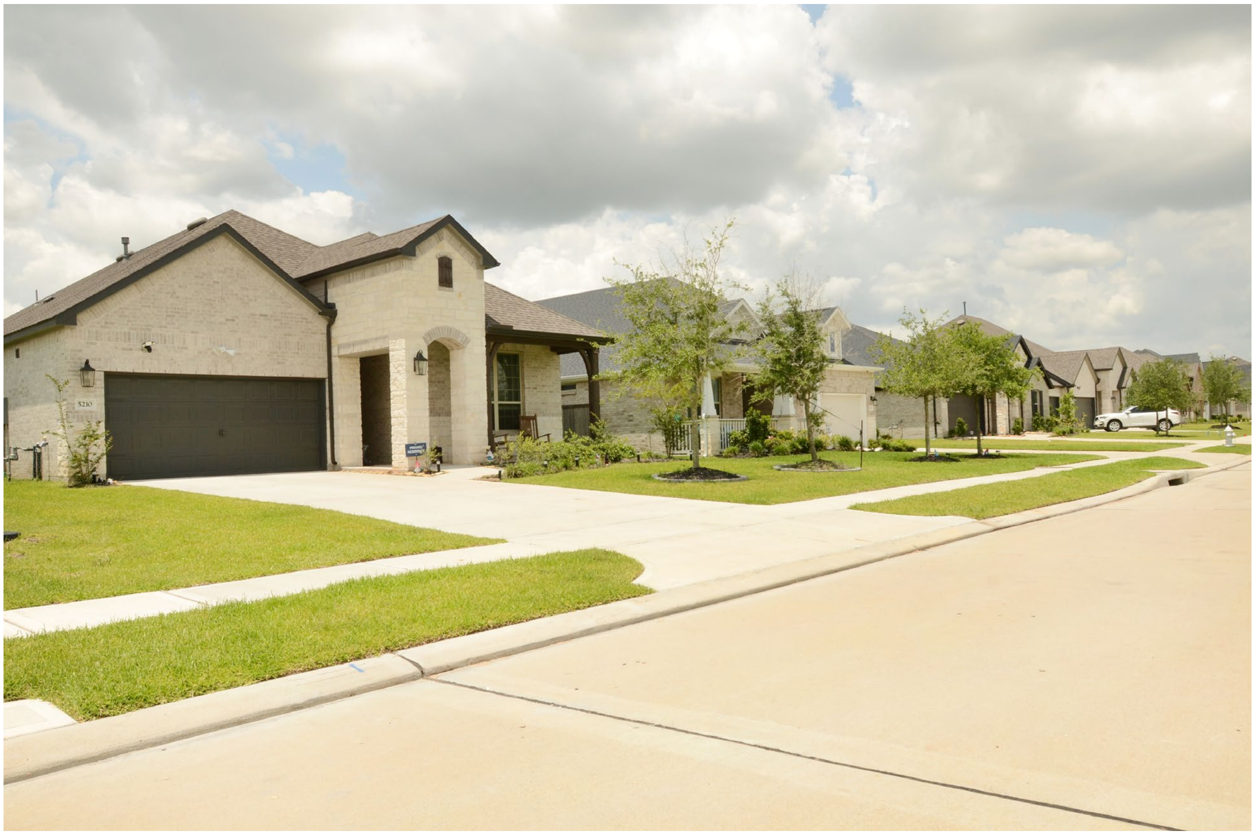


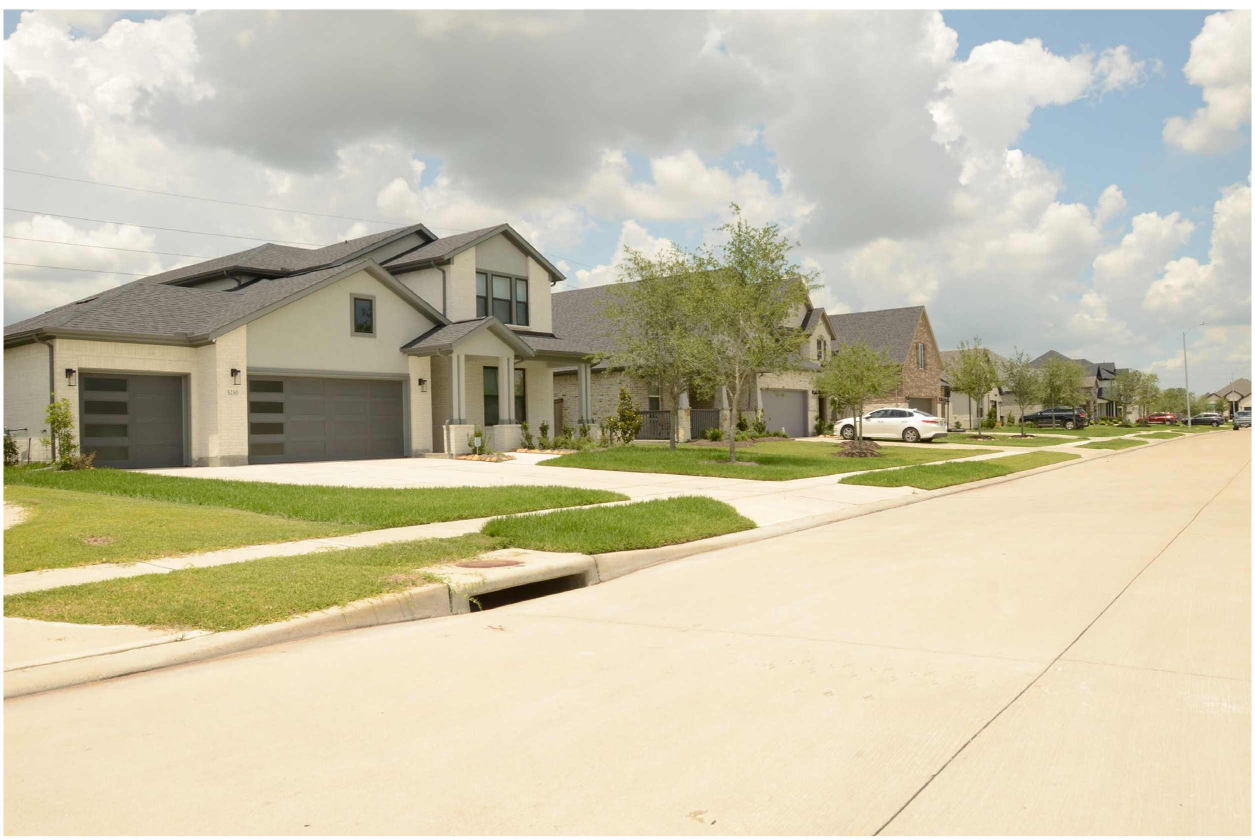


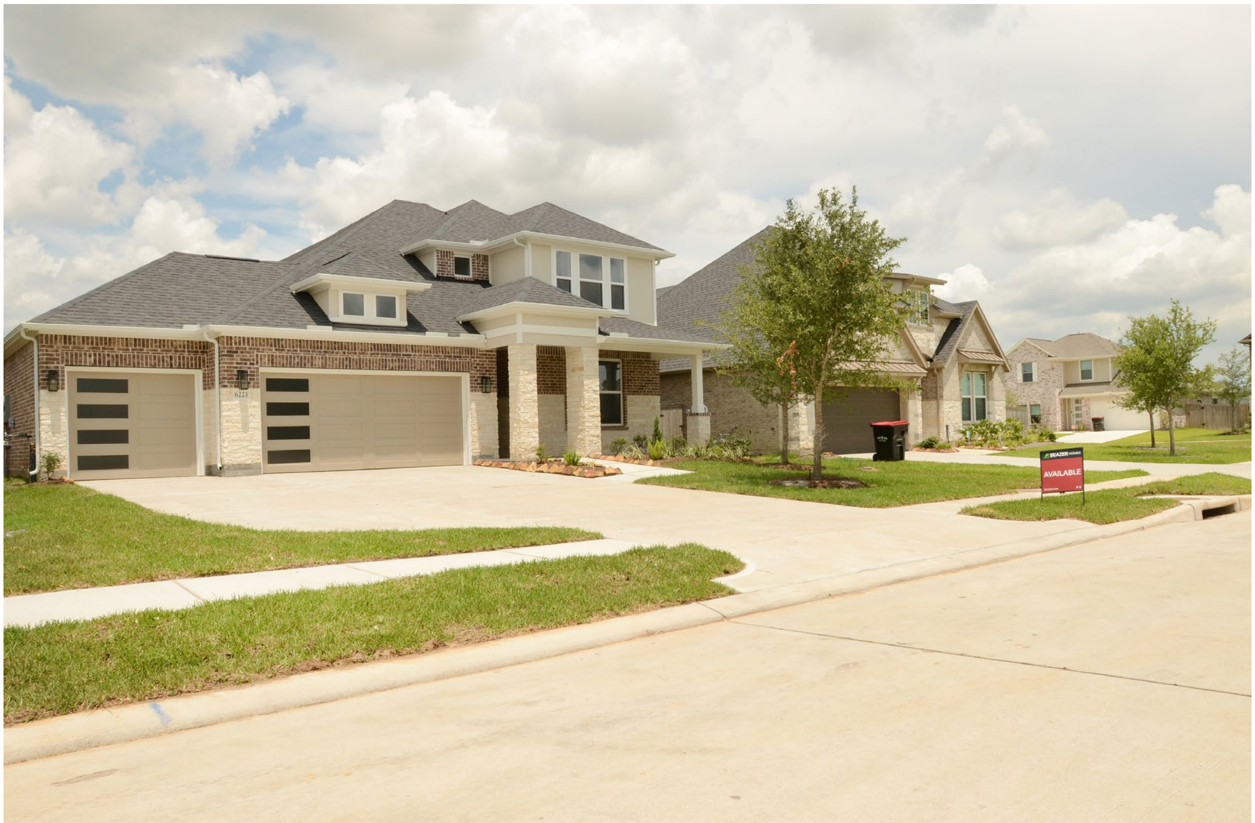


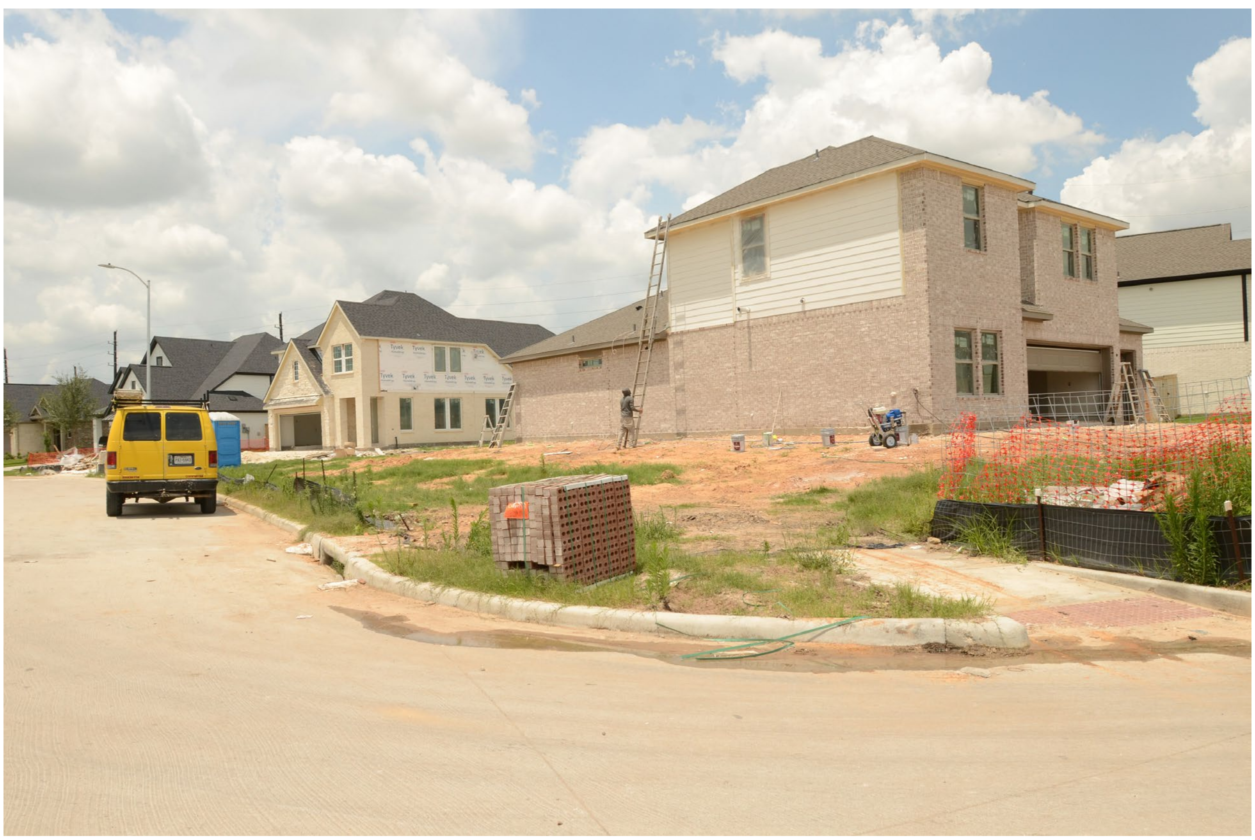


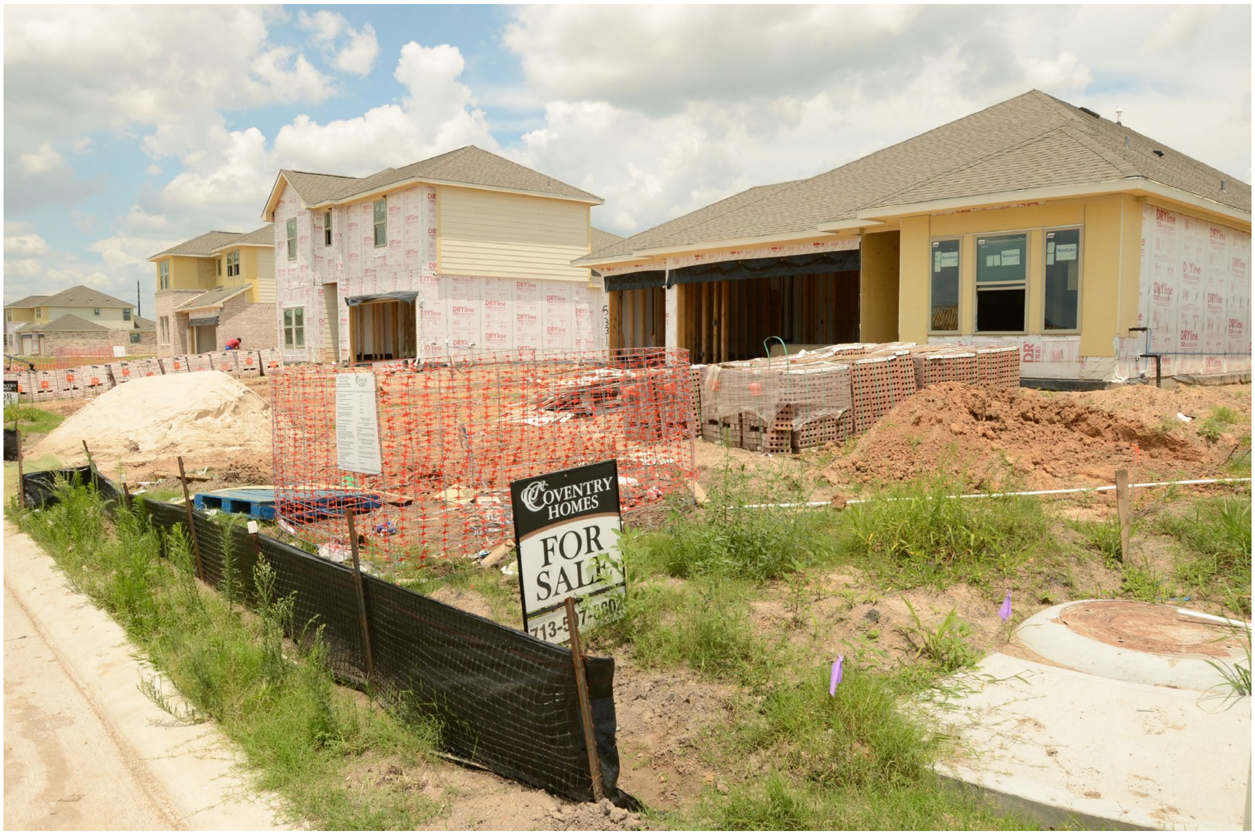


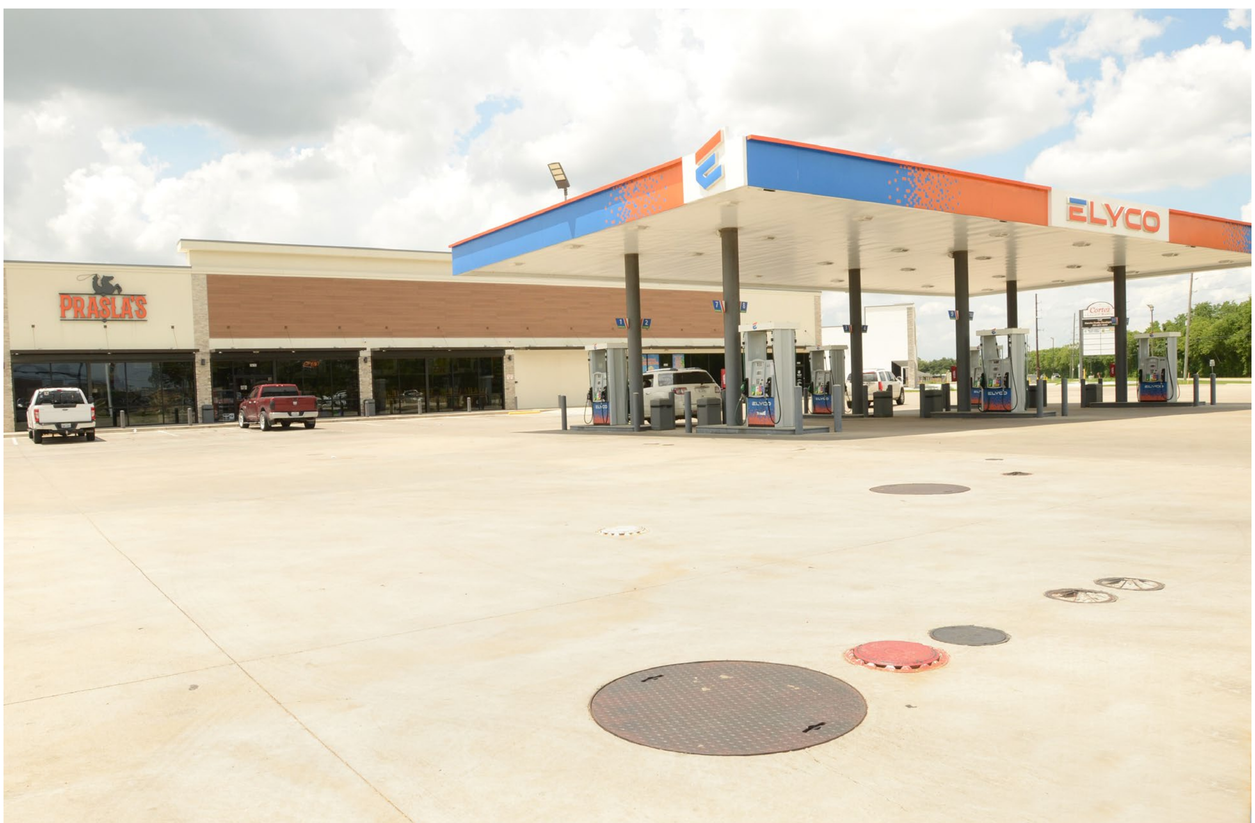





BEAZER HOMES
AVAILABLE




COVENTRY
HOMES
FOR
SALE


PRASLA'S
ELYCO

APPENDIX A

Financial Statement of the District for the year ended April 30, 2026

The information contained in this appendix includes the Annual Audit Report of Fort Bend County Municipal Utility District No. 162 for the fiscal year ended April 30, 2026.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 162

FORT BEND COUNTY, TEXAS

FINANCIAL REPORT

April 30, 2026

Table of Contents

McGRATH & CO., PLLC
Certified Public Accountants
2950 North Loop West, Suite 810
Houston, Texas 77092

Independent Auditor's Report

Board of Directors
Fort Bend County Municipal Utility District No. 162
Fort Bend County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Fort Bend County Municipal Utility District No. 162 (the "District"), as of and for the year ended April 30, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Fort Bend County Municipal Utility District No. 162, as of April 30, 2026, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

McGrath & Co, PLLC

Houston, Texas
August 6, 2026

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Management's Discussion and Analysis

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Using this Annual Report

This section of the financial report of Fort Bend County Municipal Utility District No. 162 (the "District") provides a narrative discussion and analysis of the financial activities of the District for the fiscal year ended April 30, 2026. This analysis should be read in conjunction with the independent auditor's report and the basic financial statements that follow this section.

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

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

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

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

Financial Analysis of the District as a Whole

The District's net position at April 30, 2026, was $11,218,600. A comparative summary of the District's overall financial position, as of April 30, 2026 and 2025, is as follows:

	2026	2025
Current and other assets	$ 16,815,075	$ 16,777,475
Capital assets	66,665,571	62,067,870
Total assets	83,480,646	78,845,345
Total deferred outflows of resources	202,084	226,358
Current liabilities	3,861,291	3,186,132
Long-term liabilities	68,602,839	65,001,040
Total liabilities	72,464,130	68,187,172
Net position		
Net investment in capital assets	2,135,214	3,494,285
Restricted	5,993,191	4,580,470
Unrestricted	3,090,195	2,809,776
Total net position	$ 11,218,600	$ 10,884,531

The total net position of the District increased during the current fiscal year by $334,069. A comparative summary of the District's *Statement of Activities* for the past two fiscal years is as follows:

	2026	2025
Revenues		
Water and sewer service	$ 2,134,090	$ 2,864,543
Property taxes, penalties and interest	6,019,520	4,910,724
Other	2,933,018	2,816,075
Total revenues	11,086,628	10,591,342
Expenses		
Current service operations	4,953,636	4,704,528
Debt interest and fees	2,016,048	1,407,737
Developer interest	866,959	759,979
Debt issuance costs	875,216	1,265,936
Depreciation	2,040,700	1,744,779
Total expenses	10,752,559	9,882,959
Change in net position	334,069	708,383
Net position, beginning of year	10,884,531	10,176,148
Net position, end of year	$ 11,218,600	$ 10,884,531

Financial Analysis of the District's Funds

The District's combined fund balances, as of April 30, 2026, were $14,909,893, which consists of $4,588,885 in the General Fund, $4,917,509 in the Debt Service Fund, $4,061,168 in the Capital Projects Fund, and $1,342,331 in the TIRZ Revenue Fund.

General Fund

A comparative summary of the General Fund's financial position as of April 30, 2026 and 2025, is as follows:

	2026	2025
Total assets	$ 6,125,007	$ 6,092,116
Total liabilities	$ 1,481,688	$ 1,543,959
Total deferred inflows	54,434	13,473
Total fund balance	4,588,885	4,534,684
Total liabilities, deferred inflows, and fund balance	$ 6,125,007	$ 6,092,116

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

	2026	2025
Total revenues	$ 6,611,257	$ 6,658,676
Total expenditures	(5,844,304)	(6,818,294)
Revenues over (under) expenditures	766,953	(159,618)
Other changes in fund balance	(712,752)	
Net change in fund balance	$ 54,201	$ (159,618)

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

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

Debt Service Fund

A comparative summary of the Debt Service Fund's financial position as of April 30, 2026 and 2025, is as follows:

	2026	2025
Total assets	$ 5,023,539	$ 4,854,146
Total liabilities	$ 17,564	$ -
Total deferred inflows	88,466	41,744
Total fund balance	4,917,509	4,812,402
Total liabilities, deferred inflows, and fund balance	$ 5,023,539	$ 4,854,146

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

	2026	2025
Total revenues	$ 3,391,378	$ 3,711,868
Total expenditures	(3,286,271)	(2,550,815)
Revenues over expenditures	$ 105,107	$ 1,161,053

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

Capital Projects Fund

A comparative summary of the Capital Projects Fund's financial position as of April 30, 2026 and 2025, is as follows:

	2026	2025
Total assets	$ 4,369,560	$ 5,831,213
Total liabilities	$ 308,392	$ 330,197
Total fund balance	4,061,168	5,501,016
Total liabilities and fund balance	$ 4,369,560	$ 5,831,213

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

	2026	2025
Total revenues	$ 211,556	$ 235,390
Total expenditures	(12,769,891)	(13,532,342)
Revenues under expenditures	(12,558,335)	(13,296,952)
Other changes in fund balance	11,118,487	16,000,000
Net change in fund balance	$ (1,439,848)	$ 2,703,048

The District has had considerable capital asset activity in the last two years, which was financed with proceeds from the issuance of its Series 2025 Unlimited Tax Bonds in the current fiscal year and the sale of its Series 2024 Unlimited Tax Bonds in the prior year.

TIRZ Revenue Fund

The TIRZ Revenue Fund was established to account for tax increment revenues received from Fort Bend County Reinvestment Zone No. 1. See Notes 12 and 15 for additional information. A summary of the financial position of the TIRZ Revenue Fund as of April 30, 2026 is as follows:

Total assets	$ 1,351,375
Total liabilities	$ 9,044
Total fund balance	1,342,331
Total liabilities and fund balance	$ 1,351,375

A summary of activities of the TIRZ Revenue Fund for the current fiscal year is as follows:

Total revenues	$ 784,754
Total expenditures	(36,688)
Revenues over expenditures	748,066
Other changes in fund balance	594,265
Net change in fund balance	$ 1,342,331

General Fund Budgetary Highlights

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

Since the District's budget is primarily a planning tool, actual results varied from the budgeted amounts. Actual net change in fund balance was $1,957,916 lower than budgeted. The *Budgetary Comparison Schedule* on page 42 of this report provides variance information per financial statement line item.

Capital Assets

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

Capital assets held by the District at April 30, 2026 and 2025, are summarized as follows:

	2026	2025
Capital assets not being depreciated		
Land and improvements	$ 3,358,955	$ 3,358,046
Construction in progress	1,954,298	7,796,107
	5,313,253	11,154,153
Capital assets being depreciated		
Infrastructure	67,437,341	55,729,188
Landscaping improvements	4,880,397	4,109,249
	72,317,738	59,838,437
Less accumulated depreciation		
Infrastructure	(10,175,512)	(8,378,832)
Landscaping improvements	(789,908)	(545,888)
	(10,965,420)	(8,924,720)
Depreciable capital assets, net	61,352,318	50,913,717
Capital assets, net	$ 66,665,571	$ 62,067,870

Capital asset additions during the current fiscal year include the following:

- Wastewater Treatment Plant No. 2
- Lift Stations Nos. 1, 2 and 3 rehabilitation
- Water Plant No. 1 chloramine conversion
- Water well rehabilitation
- Water meters
- Still Creek Ranch, Section 5 – utilities
- Arabella on the Prairie, Sections 4, 5, and 6 - utilities
- Arabella on the Prairie, Sections 3 and 4 streetscape and pond – hardscape and softscape
- Arabella on the Prairie, Phases 2 and 3 streetscape – hardscape

The District's construction in progress is for the construction of the following:

- Park project Phase 1 - landscape
- Trail info signage
- Trail improvements
- Clarifier No.1 and Air Bridge No.1 rehabilitation

Long-Term Debt and Related Liabilities

As of April 30, 2026, the District owes approximately $15,326,972 to developers for completed projects. The initial cost of the completed project and related liability is estimated based on actual construction costs plus 10-15% for engineering and other fees and is recorded on the District's financial statements upon completion of construction. As discussed in Note 6, the District has an additional commitment in the amount of $5,920,000 for projects under construction by the developers. As noted, the District will owe its developers for these projects upon completion of construction. The District intends to reimburse the developers from proceeds of future bond issues or other lawfully available funds. The estimated cost of amounts owed to the developers is trued up when the developers are reimbursed.

At April 30, 2026 and 2025, the District had total bonded debt outstanding as shown below:

Series	2026	2025
2015	$ 1,270,000	$ 1,345,000
2015A Refunding	2,495,000	2,730,000
2017	2,700,000	2,875,000
2017A	885,000	940,000
2020	4,800,000	5,025,000
2021 Refunding	1,600,000	1,700,000
2021A	4,640,000	4,860,000
2023	7,930,000	8,125,000
2024 Park	1,915,000	2,000,000
2024	16,000,000	16,000,000
2025	11,000,000	
	$ 55,235,000	$ 45,600,000

During the current fiscal year, the District issued $11,000,000 in unlimited tax bonds. At April 30, 2026, the District had $337,605,000 unlimited tax bonds authorized, but unissued for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage systems within and for benefiting the District and $300,000,000 for the refunding of such bonds; $52,825,000 unlimited tax bonds authorized, but unissued for the purposes of acquiring, constructing and improving parks and recreational facilities and $50,500,000 for the refunding of such bonds and $16,345,000 for refunding purposes.

Property Taxes

The District's property tax base increased approximately $57,851,000 for the 2026 tax year from $538,673,597 to $596,524,723. This increase was primarily due to new construction in the District and increased property values.

Next Year's Budget

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

	2026 Actual	2027 Budget
Total revenues	$ 6,611,257	$ 5,643,746
Total expenditures	(5,844,304)	(5,211,430)
Revenues over expenditures	766,953	432,316
Other changes in fund balance	(712,752)	
Net change in fund balance	54,201	432,316
Beginning fund balance	4,534,684	4,588,885
Ending fund balance	$ 4,588,885	$ 5,021,201

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Basic Financial Statements

Fort Bend County Municipal Utility District No. 162
Statement of Net Position and Governmental Funds Balance Sheet
April 30, 2026

	General Fund	Debt Service Fund	Capital Projects Fund	TIRZ Revenue Fund	Total
Assets					
Cash	$ 638,438	$ -	$ 337	$ 340	$ 639,115
Investments	4,922,589	4,922,606	4,369,223	588,361	14,802,779
Taxes receivable	54,434	88,466			142,900
Customer service receivables	338,987				338,987
Interfund receivable	54,406				54,406
Accrued interest receivable	36,567	12,467			49,034
Other receivables	42,186			762,674	804,860
Prepaid security	37,400				37,400
Capital assets not being depreciated					
Capital assets, net					
Total Assets	$ 6,125,007	$ 5,023,539	$ 4,369,560	$ 1,351,375	$ 16,869,481
Deferred Outflows of Resources					
Deferred difference on refunding					
Liabilities					
Accounts payable	$ 785,642	$ -	$ 138,403	$ 2,106	$ 926,151
Retainage payable			140,085		140,085
Other payables	39,203				39,203
Interfund payable		17,564	29,904	6,938	54,406
Customer deposits	237,772				237,772
Unearned revenue	64,779				64,779
Developer escrow deposits	33,186				33,186
Accrued interest payable					
Due to developer	321,106				321,106
Long-term debt					
Due within one year					
Due after one year					
Total Liabilities	1,481,688	17,564	308,392	9,044	1,816,688
Deferred Inflows of Resources					
Deferred property taxes	54,434	88,466			142,900
Fund Balances/Net Position					
Fund Balances					
Nonspendable	37,400				37,400
Restricted		4,917,509	4,061,168	1,342,331	10,321,008
Unassigned	4,551,485				4,551,485
Total Fund Balances	4,588,885	4,917,509	4,061,168	1,342,331	14,909,893
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 6,125,007	$ 5,023,539	$ 4,369,560	$ 1,351,375	$ 16,869,481
Net Position					
Net investment in capital assets					
Restricted for debt service					
Restricted for other purposes					
Unrestricted					
Total Net Position					

See notes to basic financial statements.

Adjustments	Statement of Net Position
$ -	$ 639,115
	14,802,779
	142,900
	338,987
(54,406)	
	49,034
	804,860
	37,400
5,313,253	5,313,253
61,352,318	61,352,318
66,611,165	83,480,646
202,084	202,084
	926,151
	140,085
	39,203
(54,406)	
	237,772
	64,779
	33,186
355,115	355,115
15,005,866	15,326,972
2,065,000	2,065,000
53,275,867	53,275,867
70,647,442	72,464,130
(142,900)	
(37,400)	
(10,321,008)	
(4,551,485)	
(14,909,893)	
2,135,214	2,135,214
4,650,860	4,650,860
1,342,331	1,342,331
3,090,195	3,090,195
$ 11,218,600	$ 11,218,600

Fort Bend County Municipal Utility District No. 162
Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances
For the Year Ended April 30, 2026

	General Fund	Debt Service Fund	Capital Projects Fund	TIRZ Revenue Fund	Total
Revenues					
Water service	$ 776,580	$ -	$ -	$ -	$ 776,580
Sewer service	1,357,510				1,357,510
Property taxes	2,654,023	3,200,072			5,854,095
Penalties and interest	69,837	7,905			77,742
Tap connection and inspection	424,585				424,585
Fire protection services	274,268				274,268
Surface water	749,267				749,267
Tax increment - Fort Bend County				762,674	762,674
Miscellaneous	154,199	95			154,294
Investment earnings	150,988	183,306	211,556	22,080	567,930
Total Revenues	6,611,257	3,391,378	211,556	784,754	10,998,945
Expenditures/Expenses					
Current service operations					
Professional fees	591,639		44,473	17,373	653,485
Contracted services	1,680,871			2,217	1,683,088
Repairs and maintenance	1,184,763				1,184,763
Utilities	210,078				210,078
Fire protection services	268,660				268,660
Surface water	625,236				625,236
Administration	169,413			160	169,573
Other	148,568		185	10,000	158,753
Capital outlay	965,076		10,989,996		11,955,072
Debt service					
Principal		1,365,000			1,365,000
Interest and fees		1,921,271			1,921,271
Developer interest			866,959		866,959
Debt issuance costs			868,278	6,938	875,216
Depreciation					
Total Expenditures/Expenses	5,844,304	3,286,271	12,769,891	36,688	21,937,154
Revenues Over (Under) Expenditures	766,953	105,107	(12,558,335)	748,066	(10,938,209)
Other Financing Sources (Uses)					
Proceeds from sale of bonds			11,000,000		11,000,000
Internal transfers	(712,752)		118,487	594,265	
Net Change in Fund Balances	54,201	105,107	(1,439,848)	1,342,331	61,791
Change in Net Position					
Fund Balance/Net Position					
Beginning of the year	4,534,684	4,812,402	5,501,016	-	14,848,102
End of the year	$ 4,588,885	$ 4,917,509	$ 4,061,168	$ 1,342,331	$ 14,909,893

See notes to basic financial statements.

Adjustments	Statement of Activities
$ -	$ 776,580
	1,357,510
77,041	5,931,136
10,642	88,384
	424,585
	274,268
	749,267
	762,674
	154,294
	567,930
87,683	11,086,628
	653,485
	1,683,088
	1,184,763
	210,078
	268,660
	625,236
	169,573
	158,753
(11,955,072)	
(1,365,000)	
94,777	2,016,048
	866,959
	875,216
2,040,700	2,040,700
(11,184,595)	10,752,559
10,938,209	
(11,000,000)	
(61,791)	
334,069	334,069
(3,963,571)	10,884,531
$ (3,691,293)	$ 11,218,600

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Note 1 – Summary of Significant Accounting Policies

The accounting policies of Fort Bend County Municipal Utility District No. 162 (the "District") conform with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board ("GASB"). The following is a summary of the most significant policies:

Creation

The District was organized, created and established pursuant to an order of the Texas Commission on Environmental Quality, dated August 31, 2005, and operates in accordance with the Texas Water Code, Chapters 49 and 54, as amended. Upon creation, the District was comprised of 305.426 acres of land. Over time the District has annexed 18 additional tracts, increasing size to 1,206.2814 acres. The Board of Directors held its first meeting on September 7, 2005, and the first bonds were issued on December 13, 2007.

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

Reporting Entity

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

Government-Wide and Fund Financial Statements

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

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

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

- The General Fund is used to account for the operations of the District's water and sewer system and all other financial transactions not reported in other funds. The principal sources of revenue are property taxes and water and sewer service fees. Expenditures include costs associated with the daily operations of the District.
- The Debt Service Fund is used to account for the payment of interest and principal on the District's general long-term debt. The primary source of revenue for debt service is property taxes. Expenditures include costs incurred in assessing and collecting these taxes.
- The Capital Projects Fund is used to account for the expenditures of bond proceeds for the construction of the District's water, sewer and drainage facilities.
- The TIRZ Revenue Fund is a special revenue fund used to account for tax increment revenues received from Fort Bend Tax Increment Reinvestment Zone No. 1.

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

Measurement Focus and Basis of Accounting

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

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

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

Use of Restricted Resources

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

Prepaid Items

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

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Receivables from and payables to external parties are reported separately and are not offset, unless a legal right of offset exists. At April 30, 2026, an allowance of $4,000 was provided for possible uncollectible water/sewer accounts. An allowance for uncollectible property taxes was not considered necessary.

Unbilled Service Revenues

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

Interfund Activity

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

Capital Assets

Capital assets do not provide financial resources at the fund level, and, therefore, are reported only in the government-wide statements. The District defines capital assets as assets with an initial cost that exceeds the capitalization threshold for the asset class and an estimated useful life in excess of one year. Capital assets that individually are below the capitalization threshold but, in the aggregate, are above the threshold are capitalized. Subsequent replacements of these assets that do not exceed the threshold are not capitalized. The District's capitalization threshold for infrastructure assets is $50,000. The threshold for subscription-based information technology arrangements (SBITAs) is $250,000.

Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire the asset on the acquisition date. The District has not capitalized interest incurred during the construction of its capital assets. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

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

Assets	Useful Life
Infrastructure	10-45 years
Landscaping improvements	20 years

Deferred Inflows and Outflows of Financial Resources

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

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

Deferred outflows of financial resources at the government-wide level are from refunding bond transactions in which the amount required to repay the old debt exceeded the net carrying amount of the old debt. This amount is being amortized to interest expense.

Net Position – Governmental Activities

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

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

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

Unrestricted – resources not included in the other components.

Fund Balances – Governmental Funds

Governmental accounting standards establish the following fund balance classifications:

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

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. The District's restricted fund balances consist of unspent bond proceeds in the Capital Projects Fund, property taxes levied for debt service in the Debt Service Fund, and unspent tax increment revenue in TIRZ Revenue Fund.

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

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

Unassigned - all other spendable amounts in the General Fund.

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

Use of Estimates

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

Note 2 – Adjustment from Governmental to Government-wide Basis

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

Total fund balance, governmental funds		$ 14,909,893
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
Historical cost	$ 77,630,991	
Less accumulated depreciation	(10,965,420)	
		66,665,571
The difference between the face amount of bonds refunded and the amount paid to refund the bonds does not provide financial resources at the fund level and is recorded as a deferred outflow in the *Statement of Net Position* and amortized to interest expense.		202,084
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. The difference consists of:		
Accrued interest payable	(355,115)	
Due to developers	(15,005,866)	
Bonds payable, net	(55,340,867)	
		(70,701,848)
Deferred inflows in the fund statements consist of property taxes receivable and related penalties and interest that have been levied and are due, but are not available to pay current period expenditures. These amounts are included in revenues in the government wide statements.		142,900
Total net position - governmental activities		$ 11,218,600

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

Net change in fund balances - total governmental funds		$ 61,791
Governmental funds do not report revenues that are not available to pay current obligations. In contrast, such revenues are reported in the *Statement of Activities* when earned. The difference is for property taxes and related penalties and interest.		87,683
Financial reporting for capital assets varies significantly between the fund statements and the government-wide statements. Reporting at the fund level focuses on the impact of transactions on financial resources (i.e., cash), while reporting at the government-wide level seeks to allocate the cost of the acquisition of capital assets over their useful lives and to measure the economic impact of developer financing of capital assets used by the District. Differences during the current fiscal year are for the following:		
Capital outlays	$ 11,955,072	
Depreciation expense	(2,040,700)	
		9,914,372
Financial reporting for certain obligations varies between the fund statements and the government-wide statements. At the fund level, the focus is on increases and decreases of financial resources as debt is issued and repaid. At the government-wide level, the focus is on measuring and reporting on changes in the District's obligation to repay liabilities in the future. Differences during the current fiscal year are for the following:		
Issuance of long-term debt	(11,000,000)	
Principal payments	1,365,000	
Interest expense accrual	(94,777)	
		(9,729,777)
Change in net position of governmental activities		$ 334,069

Note 3 – Deposits and Investments

Deposit Custodial Credit Risk

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

Investments

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

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

As of April 30, 2026, the District's investments consist of the following:

Type	Fund	Carrying Value	Percentage of Total	Rating	Weighted Average Maturity
Certificates of deposit	General	$ 1,175,000			
	Debt Service	470,000			
		1,645,000	11%	N/A	N/A
Texas CLASS	General	3,747,589			
	Debt Service	4,452,606			
	Capital Projects	4,369,223			
	TIRZ Revenue	588,361			
		13,157,779	89%	AAAm	50 days
Total		$ 14,802,779	100%		

The District's investments in certificates of deposit are reported at cost.

Texas CLASS

The District participates in Texas Cooperative Liquid Assets Securities System (Texas CLASS). Texas CLASS is managed by an elected Board of Trustees consisting of members of the pool. Additionally, the Board of Trustees has established an advisory board, the function of which is to provide guidance on investment policies and strategies. The Board of Trustees has selected Public Trust Advisors, LLC as the program administrator and UMB Bank N.A., as the custodian.

The District's investment in Texas CLASS is reported at fair value because Texas CLASS uses fair value to report investments (other than repurchase agreements which are valued at amortized cost). Governmental accounting standards establish the following hierarchy of inputs used to measure fair value: Level 1 inputs are based on quoted prices in active markets, Level 2 inputs are based on significant other observable inputs, and Level 3 inputs are based on significant unobservable inputs. The District's investment in Texas CLASS is measured using published fair value per share (level 1 inputs).

Investments in Texas CLASS may be withdrawn via wire transfer on a same day basis, as long as the transaction is executed by 4 p.m. ACH withdrawals made by 4 p.m. will settle on the next business day.

Investment Credit and Interest Rate Risk

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

Note 4 – Interfund Balances and Transactions

Amounts due to/from other funds at April 30, 2026, consist of the following:

Receivable Fund	Payable Fund	Amounts	Purpose
General Fund	Debt Service Fund	$ 17,564	Maintenance tax collections not remitted as of year end
General Fund	Capital Projects Fund	29,904	Bond application fees and capital outlay paid by the General Fund
General Fund	TIRZ Revenue Fund	6,938	TIRZ expenses paid by the General Fund

Amounts reported as internal balances between funds are considered temporary balances and will be paid during the following fiscal year. A summary of internal transfers for the current fiscal year is as follows:

Transfers Out	Transfers In	Amounts	Purpose
General Fund	TIRZ Revenue Fund	$ 594,265	Transfer of TIRZ proceeds for creation of the TIRZ Fund
General Fund	Capital Projects Fund	121,948	Recognition of retainage payable and capital outlay previusly recognized in the Capital Projects Fund
Capital Projects Fund	General Fund	3,461	Transfer of remaining Series 2023 bond proceeds to the General Fund

Note 5 – Capital Assets

A summary of changes in capital assets, for the year ended April 30, 2026, is as follows:

	Beginning Balances	Additions/ Adjustments	Retirements	Ending Balances
Capital assets not being depreciated				
Land and improvements	$ 3,358,046	$ 909	$ -	$ 3,358,955
Construction in progress	7,796,107	1,725,431	(7,567,240)	1,954,298
	11,154,153	1,726,340	(7,567,240)	5,313,253
Capital assets being depreciated				
Infrastructure	55,729,188	11,708,153		67,437,341
Landscaping improvements	4,109,249	771,148		4,880,397
	59,838,437	12,479,301		72,317,738
Less accumulated depreciation				
Infrastructure	(8,378,832)	(1,796,680)		(10,175,512)
Landscaping improvements	(545,888)	(244,020)		(789,908)
	(8,924,720)	(2,040,700)		(10,965,420)
Subtotal depreciable capital assets, net	50,913,717	10,438,601		61,352,318
Capital assets, net	$ 62,067,870	$ 12,164,941	$ (7,567,240)	$ 66,665,571

Depreciation expense for the current fiscal year was $2,040,700.

The District has contractual commitments for construction projects as follows:

	Contract Amount	Paid To Date	Remaining Amount *
Phase 1 trail improvements	$ 1,412,515	$ 1,198,175	$ 214,340

* Includes retainage

Note 6 – Due to Developers

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

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

Due to developers, beginning of year	$	20,322,537
Developer reimbursements		(9,041,819)
Developer funded construction and adjustments		4,046,254
Due to developers, end of year	$	15,326,972

During the current fiscal year, the District used tap connection revenues in the amount of $221,020 to reimburse its developers for the cost of capital assets constructed within the District. As of April 30, 2026, the District reported $321,106 as a liability on the *Statement of Net Position and Government Funds Balance Sheet* for amounts approved, but not paid as of fiscal year end.

In addition, the District will owe the developers approximately $5,920,000, which is included in the schedule of contractual commitments below. The projects in this schedule are in varying stages of completion and, as previously noted, will be reported in the government-wide financial statements upon completion of construction. The exact amount due to the developers is not known until approved by the TCEQ and verified by the District's auditor.

	Contract Amount *	
Arabella Lift Station No. 1	$	780,000
Arabella on the Prairie, Phase 2 - streetscape		370,000
Arabella on the Prairie, Phase 3 - streetscape		590,000
Arabella Phase 3B - detention		1,210,000
Still Creek Ranch Lift Station No. 2		1,240,000
Arabella, Section 7 - utilities		580,000
Arabella, Section 8 - utilities		1,150,000
	$	5,920,000

* Rounded to the nearest $10,000

Note 7 – Long-Term Debt

Long-term debt is comprised of the following:

Bonds payable	$	55,235,000
Unamortized discounts		(50,519)
Unamortized premium		156,386
	$	55,340,867
Due within one year	$	2,065,000

The District's bonds payable at April 30, 2026, consists of unlimited tax bonds as follows:

Series	Amounts Outstanding	Original Issue	Interest Rates	Maturity Date, Serially, Beginning/ Ending	Interest Payment Dates	Call Dates
2015	$ 1,270,000	$ 2,000,000	2.00% - 4.00%	September 1, 2016-2039	September 1, March 1	September 1, 2022
2015A Refunding	2,495,000	4,195,000	2.00% - 4.00%	September 1, 2016-2035	September 1, March 1	September 1, 2023
2017	2,700,000	4,100,000	2.00% - 3.00%	September 1, 2018-2040	September 1, March 1	September 1, 2024
2017A	885,000	1,325,000	2.50% - 4.00%	September 1, 2018-2040	September 1, March 1	September 1, 2024
2020	4,800,000	5,925,000	1.00% - 2.25%	September 1, 2021-2043	September 1, March 1	September 1, 2026
2021 Refunding	1,600,000	1,995,000	2.00% - 3.00%	September 1, 2022-2037	September 1, March 1	September 1, 2026
2021A	4,640,000	5,300,000	2.00% - 3.00%	September 1, 2023-2046	September 1, March 1	September 1, 2027
2023	7,930,000	8,310,000	3.25% - 5.75%	September 1, 2024-2047	September 1, March 1	September 1, 2028
2024 Park	1,915,000	2,000,000	3.25% - 5.50%	September 1, 2025-2048	September 1, March 1	September 1, 2030
2024	16,000,000	16,000,000	3.00% - 5.50%	September 1, 2026-2049	September 1, March 1	September 1, 2031
2025	11,000,000	11,000,000	4.25% - 6.00%	September 1, 2027-2050	September 1, March 1	September 1, 2031
	$ 55,235,000					

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

At April 30, 2026, the District had authorized but unissued bonds in the amount of $337,605,000 for water, sewer and drainage systems within and for benefiting the District and $300,000,000 for the refunding of such bonds; $52,825,000 unlimited tax bonds authorized, but unissued for the purposes of acquiring, constructing, and improving the park and recreational facilities and $50,500,000 for the refunding of such bonds; and $16,345,000 for refunding purposes

On August 14, 2025, the District issued its $11,000,000 Series 2025 Unlimited Tax Bonds at a net effective interest rate of 4.859901%. Proceeds of the bonds were used to reimburse developers for the cost of capital assets constructed within the District plus interest expense at the net effective interest rate of the bonds.

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

Bonds payable, beginning of year	$	45,600,000
Bonds issued		11,000,000
Bonds retired		(1,365,000)
Bonds payable, end of year	$	55,235,000

As of April 30, 2026, annual debt service requirements on bonds outstanding are as follows:

Year	Principal	Interest	Totals
2027	$ 2,065,000	$ 2,087,944	$ 4,152,944
2028	2,550,000	1,987,619	4,537,619
2029	2,575,000	1,873,403	4,448,403
2030	2,605,000	1,759,290	4,364,290
2031	2,630,000	1,647,878	4,277,878
2032	2,660,000	1,539,236	4,199,236
2033	2,695,000	1,432,834	4,127,834
2034	2,710,000	1,327,978	4,037,978
2035	2,720,000	1,229,983	3,949,983
2036	2,730,000	1,141,583	3,871,583
2037	2,505,000	1,056,932	3,561,932
2038	2,520,000	973,857	3,493,857
2039	2,455,000	889,971	3,344,971
2040	2,475,000	805,677	3,280,677
2041	2,380,000	719,452	3,099,452
2042	2,155,000	635,164	2,790,164
2043	2,200,000	553,342	2,753,342
2044	2,220,000	470,251	2,690,251
2045	1,920,000	389,909	2,309,909
2046	1,945,000	312,158	2,257,158
2047	1,970,000	233,346	2,203,346
2048	1,775,000	156,319	1,931,319
2049	1,200,000	93,825	1,293,825
2050	1,120,000	44,865	1,164,865
2051	455,000	10,522	465,522
	$ 55,235,000	$ 23,373,338	$ 78,608,338

Note 8 – Property Taxes

On November 8, 2005, the voters of the District authorized the District's Board of Directors to levy taxes annually for use in financing general operations limited to $1.50 per $100 of assessed value. The

District's bond resolutions require that property taxes be levied for use in paying interest and principal on long-term debt and for use in paying the cost of assessing and collecting taxes. Taxes levied to finance debt service requirements on long-term debt are without limitation as to rate or amount.

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

Property taxes are collected based on rates adopted in the year of the levy. The District's 2026 fiscal year was financed through the 2025 tax levy, pursuant to which the District levied property taxes of $1.10 per $100 of assessed value, of which $0.50 was allocated to maintenance and operations and $0.60 was allocated to debt service. The resulting tax levy was $5,925,410 on the adjusted taxable value of $538,673,597.

Property taxes receivable, at April 30, 2026, consisted of the following:

Current year taxes receivable	$ 109,513
Prior years taxes receivable	16,629
	126,142
Penalty and interest receivable	16,758
Total property taxes receivable	$ 142,900

Note 9 – Water Supply and Wastewater Agreement

On June 7, 2005, LGI, on behalf of the District, entered into an agreement with the City of Rosenberg (the "City") to supply water and wastewater services on a permanent basis to the District. The agreement was assigned to the District on November 21, 2005, and was amended and restated on March 6, 2018, July 3, 2018, August 21, 2018, June 18, 2019, September 15, 2020, August 3, 2021, July 5, 2022, and October 17, 2023. Should additional annexations occur, this agreement will need to be amended and restated to account for additional connections. Pursuant to the agreement, the District has constructed a 1,500 gallons per minute water well with an adequately sized plant. Also pursuant to the agreement, the District will participate in the construction of a regional wastewater treatment plant in the future should the City construct such facility. The City has purchased land for the regional wastewater treatment plant but has no current plans to construct. Currently, the District serves its residents with wastewater services through a pre-packaged 0.3 MGD plant. The District plans to construct a 0.15 MGD expansion to bring the total capacity to 0.45 MGD. Under the agreement, the District may provide up to 3,866 equivalent single-family connections of water supply and wastewater services.

The District and the City entered into a Water Supply Contract (the "Water Supply Contract") effective as of November 24, 2025, whereby the City agreed to sell water to the District on a wholesale basis. Pursuant to the terms of the Water Supply Contract, the District pays the water rates and GRP fee charged by the City to the City's other customers, as established by the Plan. The District is also required to pay to the City an impact fee for all ESFCs over 2,344 that connect to the District's water system. In consideration for the payment of these impact fees, the City agrees to supply the District with water supply capacity sufficient to serve the District's customers pursuant to the number of ESFCs then-consented to by the City in the Utility Agreement - currently 3,866 ESFCs. The Water Supply Contract also obligates the City to provide a credit to the District to offset its impact fee costs, in an amount equal to the District's actual costs to construct certain regional facilities which serve the City's water supply system. The City is currently not supplying water to the District under the Water Supply Contract.

Note 10 – Groundwater Reduction Plan Participation Agreement

The Texas Legislature created the Fort Bend Subsidence District in order to regulate groundwater pumping, and the Subsidence District adopted a regulatory plan that certain water well permit holders, including the District, must reduce groundwater usage, either individually or by participating in a group. To satisfy this mandate, on May 5, 2009, the District and the City of Rosenberg (the "City") entered into a Groundwater Reduction Plan Participation Agreement (the "Plan"). Approximately 137 acres annexed into the District under construction for the Lamar Consolidated Independent School District ("LCISD") high school and middle school complex is within the boundaries of the Subsidence

District and within the boundaries of the North Fort Bend Water Authority (the "Authority") and is included within the Authority's groundwater reduction plan. While the District's water wells are not located within the boundaries of the Authority, the water imported into the portion of the District owned by LCISD is subject to Authority import fees, which will be passed through to LCISD.

The Plan states that the City will be the administrator and is responsible for producing and submitting a plan to the Subsidence District conforming to the minimum requirements. The City also agrees to pay all costs associated with the plan with future bond proceeds issued by the City.

The District agrees to pay the City a surface water fee based on water pumped by the District at the rate of which the City charges to its customers. Effective October 1, 2025, the GRP rate is $2.95 per 1,000 gallons of groundwater pumped from the District's well. The District passes this fee, plus a 25% surcharge, on to its customers. The plan will remain in effect as long as the regulatory plan for surface water conversion is in effect. During the current fiscal year, the District recorded $749,267 in revenues and $625,236 in expenditures pursuant to this agreement.

Note 11 – Fire Protection Agreement

On July 18, 2007, as amended on various dates, the District entered into a Fire Protection Agreement (the "Agreement") with the City to provide fire protection services to residents of the District. Effective January 1, 2014, the District pays the City a charge of $20 per residential property and $20 per 2,000 square feet on each improved nonresidential property that is connected to public water supply system. During the current fiscal year, the District paid the City $268,660 for fire protection services. Portions of the District are located outside the boundaries of the City's fire protection plan and are situated within the boundaries of Fort Bend County Emergency Services District No. 6 ("ESD"). Landowners located within the ESD pay a separate tax for fire protection services and do not pay the City fire charge.

Note 12 – Reinvestment Zone Development Agreement

A portion of the District lies within the boundaries of the Fort Bend County Reinvestment Zone No. 1 (the "TIRZ") which was established by the Fort Bend County (the "County") in May 2022. The District shall assist the County and the TIRZ in the implementation of the TIRZ project and financing plan (the "Plan"), which shall include the design and construction of certain eligible TIRZ projects. The base taxable assessed value of land within the TIRZ is established when the TIRZ is created. Any incremental growth in the taxable assessed value over the base is considered a "Tax Increment." The tax increment fund shall be comprised of payments from the County equaling 75% of the County's collected tax increment generated by the Zone. The purpose of the TIRZ is to fund various public works and improvements contained in the TIRZ Plan.

Note 13 – Interlocal Agreement with Fort Bend County

On September 5, 2014, the District entered into an Interlocal Agreement for Additional Law Enforcement Services with Fort Bend County for the purpose of providing security services to the District. On or about October 1, 2025, the District renewed the Interlocal Agreement with Fort Bend County. The agreement expires on September 30, 2026, and may be terminated by either party with 30 days written notice. If the agreement expires before a new agreement is executed, services will continue on a month-to-month basis. The billing rate is amended annually based on the County's constable budget. For the current fiscal year, the District paid $316,617 for security services.

Note 14 – Tri-Party Agreement

The District, TIRZ, and the County entered into a Tri-Party Agreement on October 25, 2022, related to the use and administration of tax revenues generated by the TIRZ (the "Tri-Party Agreement"). A total of approximately 4,075 acres were designated by the County as the TIRZ in 2022. The base tax year for the TIRZ is 2022. The District is entirely located within the TIRZ.

Seventy-five percent (75%) of the Tax Increment (as defined above) generated in the TIRZ by the County will be transmitted to the District to finance, construct, operate, and/or maintain certain public infrastructure within the TIRZ. These revenues may be used by the District to directly fund TIRZ projects, to reimburse the advance funding of a TIRZ project, or to be used as security for contract revenue bonds. Should the District issue contract revenue bonds secured by revenues received from the TIRZ, such bonds would be limited obligations of the District payable solely from TIRZ revenues and are not obligations of the City, the County, the TIRZ, the State of Texas, or any entity other than the District.

The TIRZ revenues are generated solely from the County's ad valorem taxes levied within the TIRZ and are wholly separate and apart from the District's taxing authority. During the current fiscal year, the District established the TIRZ Revenue Fund to account for the revenues and expenditures related to this agreement and received approximately $762,674 in tax increment revenues.

Note 15 – Risk Management

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

Note 16 – Subsequent Event

On July 16, 2026, the District approved a preliminary official statement and notice of sale for its Series 2026 Unlimited Tax Bonds in the amount of $4,000,000. The acceptance of bids and award of sale is scheduled for August 20, 2026. Proceeds of the bonds will primarily be used to reimburse developers for amounts currently reported in "Due to developer".

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Required Supplementary Information

Fort Bend County Municipal Utility District No. 162
Required Supplementary Information - Budgetary Comparison Schedule - General Fund
For the Year Ended April 30, 2026

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Water service	$ 1,235,000	$ 1,235,000	$ 776,580	$ (458,420)
Sewer service	2,127,200	2,127,200	1,357,510	(769,690)
Property taxes	1,464,610	2,650,211	2,654,023	3,812
Penalties and interest	73,000	73,000	69,837	(3,163)
Tap connection and inspection	475,075	534,500	424,585	(109,915)
Fire protection services	282,200	282,200	274,268	(7,932)
Surface water	729,400	729,400	749,267	19,867
Miscellaneous	131,200	131,200	154,199	22,999
Investment earnings	187,770	192,100	150,988	(41,112)
Total Revenues	6,705,455	7,954,811	6,611,257	(1,343,554)
Expenditures				
Current service operations				
Professional fees	407,500	407,500	591,639	(184,139)
Contracted services	1,407,630	1,655,474	1,680,871	(25,397)
Repairs and maintenance	1,382,093	1,382,093	1,184,763	197,330
Utilities	182,100	182,100	210,078	(27,978)
Fire protection services	268,800	268,800	268,660	140
Surface water	729,400	729,400	625,236	104,164
Administrative	205,620	205,620	169,413	36,207
Other	196,932	196,932	148,568	48,364
Capital outlay	676,250	805,050	965,076	(160,026)
Total Expenditures	5,456,325	5,832,969	5,844,304	(11,335)
Revenues Over Expenditures	1,249,130	2,121,842	766,953	(1,354,889)
Other Financing Uses				
Internal transfers		(109,725)	(712,752)	(603,027)
Net Change in Fund Balance	1,249,130	2,012,117	54,201	(1,957,916)
Fund Balance				
Beginning of the year	4,534,684	4,534,684	4,534,684	
End of the year	$ 5,783,814	$ 6,546,801	$ 4,588,885	$ (1,957,916)

Budgets and Budgetary Accounting

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

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Texas Supplementary Information

Fort Bend County Municipal Utility District No. 162
TSI-1. Services and Rates
April 30, 2026

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

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

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

[ ] Other (Specify): ______________________

2. Retail Service Providers

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

	Minimum Charge	Minimum Usage	Flat Rate (Y / N)	Rate per 1,000 Gallons Over Minimum Usage	Usage Levels		
Water:	$ 14.00	2,000	N	$ 2.65	2,001	to	5,000
				$ 2.72	5,001	to	10,000
				$ 2.81	10,001	to	20,000
				$ 2.97	20,001	to	no limit
Wastewater:	$ 42.30	2,000	N	$ 2.33	2,000	to	5,000
				$ 2.49	5,001	to	10,000
				$ 2.65	10,001	to	no limit
Surcharge:	$ 3.69	-0-	N	$ 3.69	1,000	to	no limit

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

Total charges per 10,000 gallons usage: Water $ 72.43 Wastewater $ 61.74

b. Water and Wastewater Retail Connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC'S
Unmetered			x 1.0	
less than 3/4"	2,098	2,074	x 1.0	2,074
1"	4	4	x 2.5	10
1.5"	4	4	x 5.0	20
2"	31	28	x 8.0	224
3"			x 15.0	
4"	4	4	x 25.0	100
6"			x 50.0	
8"	4	4	x 80.0	320
10"			x 115.0	
Total Water	2,145	2,118		2,748
Total Wastewater	2,118	2,091	x 1.0	2,091

See accompanying auditor's report.

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

Gallons pumped into system:	220,021,000	Water Accountability Ratio: (Gallons billed / Gallons pumped)
Gallons billed to customers:	224,105,000	101.86%

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

The District does not have Debt Service standby fees.

The District does not have Operation and Maintenance standby fees.

5. Location of District

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

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

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

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

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

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

ETJs in which the District is located: City of Rosenberg

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

If Yes, by whom? ____

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 162
TSI-2. General Fund Expenditures
For the Year Ended April 30, 2026

Professional fees		
Legal	$	295,133
Audit		19,300
Engineering		277,206
		591,639
Contracted services		
Bookkeeping		98,486
Operator		281,576
Appraisal District fees		56,048
Sludge removal		326,244
Garbage collection		548,907
Inspection		36,993
Security services		316,617
Storm water management		16,000
		1,680,871
Repairs and maintenance		1,184,763
Utilities		210,078
Fire protection services		268,660
Surface water		625,236
Administrative		
Directors fees		30,625
Printing and office supplies		24,095
Insurance		38,306
Other		76,387
		169,413
Other		148,568
Capital outlay		965,076
Total expenditures	$	5,844,304

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 162
TSI-3. Investments
April 30, 2026

Fund	Interest Rate	Maturity Date	Balance at End of Year	Interest Receivable
General				
Texas CLASS	Variable	N/A	$ 3,747,589	$ -
Certificates of deposit	4.00%	10/27/26	235,000	4,764
Certificates of deposit	4.05%	07/03/26	235,000	6,936
Certificates of deposit	4.00%	07/29/26	235,000	7,082
Certificates of deposit	4.07%	06/02/26	235,000	8,700
Certificates of deposit	4.15%	05/25/26	235,000	9,085
			4,922,589	36,567
Debt Service				
Texas CLASS	Variable	N/A	4,452,606	
Certificates of deposit	4.00%	11/04/26	235,000	4,558
Certificates of deposit	4.15%	07/08/26	235,000	7,909
			4,922,606	12,467
Capital Projects				
Texas CLASS	Variable	N/A	4,369,223	
TIRZ Revenue				
Texas CLASS	Variable	N/A	588,361	
Total - All Funds			$ 14,802,779	$ 49,034

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 162
TSI-4. Taxes Levied and Receivable
April 30, 2026

	Maintenance Taxes	Debt Service Taxes	Totals
Taxes Receivable, Beginning of Year	$ 13,473	$ 35,628	$ 49,101
Adjustments to Prior Year Tax Levy	1,616	4,110	5,726
Adjusted Receivable	15,089	39,738	54,827
2025 Original Tax Levy	2,676,358	3,211,630	5,887,988
Adjustments	17,010	20,412	37,422
Adjusted Tax Levy	2,693,368	3,232,042	5,925,410
Total to be accounted for	2,708,457	3,271,780	5,980,237
Tax collections:			
Current year	2,643,797	3,172,556	5,816,353
Prior years	10,226	27,516	37,742
Total Collections	2,654,023	3,200,072	5,854,095
Taxes Receivable, End of Year	$ 54,434	$ 71,708	$ 126,142
Taxes Receivable, By Years			
2025	$ 49,779	$ 59,734	$ 109,513
2024	2,768	7,396	10,164
2023	1,681	4,114	5,795
2022 and prior	206	464	670
Taxes Receivable, End of Year	$ 54,434	$ 71,708	$ 126,142

	2025	2024	2023	2022
Property Valuations:				
Land	$ 133,283,743	$ 106,524,058	$ 60,672,815	$ 130,446,754
Improvements	640,310,193	554,946,984	477,852,625	678,364,034
Personal Property	3,546,601	2,980,403	1,750,116	11,148,636
Exemptions	(238,466,940)	(234,589,729)	(216,845,834)	(161,137,293)
Total Property Valuations	$ 538,673,597	$ 429,861,716	$ 323,429,722	$ 658,822,131
Tax Rates per $100 Valuation:				
Maintenance tax rates	$ 0.50	$ 0.305	$ 0.325	$ 0.335
Debt service tax rates	0.60	0.815	0.795	0.785
Total Tax Rates per $100 Valuation	$ 1.10	$ 1.120	$ 1.120	$ 1.120
Adjusted Tax Levy:	$ 5,925,410	$ 4,814,451	$ 3,622,413	$ 7,378,808
Percentage of Taxes Collected to Taxes Levied **	98.16%	99.79%	99.84%	99.99%

* Maximum Maintenance Tax Rate Approved by Voters: $1.50 on November 8, 2005

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

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 162
TSI-5. Long-Term Debt Service Requirements
Series 2015--by Years
April 30, 2026

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2027	$ 75,000	$ 45,375	$ 120,375
2028	75,000	43,125	118,125
2029	75,000	40,734	115,734
2030	75,000	38,203	113,203
2031	75,000	35,672	110,672
2032	75,000	33,047	108,047
2033	75,000	30,328	105,328
2034	75,000	27,609	102,609
2035	110,000	24,188	134,188
2036	110,000	20,063	130,063
2037	110,000	15,800	125,800
2038	110,000	11,400	121,400
2039	115,000	6,900	121,900
2040	115,000	2,300	117,300
	$ 1,270,000	$ 374,744	$ 1,644,744

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 162
TSI-5. Long-Term Debt Service Requirements
Series 2015A Refunding--by Years
April 30, 2026

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2027	$ 245,000	$ 94,900	$ 339,900
2028	260,000	84,800	344,800
2029	270,000	74,200	344,200
2030	280,000	63,200	343,200
2031	290,000	51,800	341,800
2032	305,000	39,900	344,900
2033	325,000	27,300	352,300
2034	330,000	14,200	344,200
2035	95,000	5,700	100,700
2036	95,000	1,900	96,900
	$ 2,495,000	$ 457,900	$ 2,952,900

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 162
TSI-5. Long-Term Debt Service Requirements
Series 2017--by Years
April 30, 2026

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2027	$ 180,000	$ 83,025	$ 263,025
2028	180,000	78,075	258,075
2029	180,000	72,675	252,675
2030	180,000	67,275	247,275
2031	180,000	61,875	241,875
2032	180,000	56,475	236,475
2033	180,000	51,075	231,075
2034	180,000	45,450	225,450
2035	180,000	39,600	219,600
2036	180,000	33,750	213,750
2037	180,000	27,900	207,900
2038	180,000	21,938	201,938
2039	180,000	15,750	195,750
2040	180,000	9,450	189,450
2041	180,000	3,150	183,150
	$ 2,700,000	$ 667,463	$ 3,367,463

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 162
TSI-5. Long-Term Debt Service Requirements
Series 2017A--by Years
April 30, 2026

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2027	$ 55,000	$ 26,837	$ 81,837
2028	55,000	25,463	80,463
2029	55,000	24,087	79,087
2030	60,000	22,500	82,500
2031	60,000	20,700	80,700
2032	60,000	18,900	78,900
2033	60,000	17,100	77,100
2034	60,000	15,225	75,225
2035	60,000	13,275	73,275
2036	60,000	11,325	71,325
2037	60,000	9,375	69,375
2038	60,000	7,350	67,350
2039	60,000	5,250	65,250
2040	60,000	3,150	63,150
2041	60,000	1,050	61,050
	$ 885,000	$ 221,587	$ 1,106,587

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 162
TSI-5. Long-Term Debt Service Requirements
Series 2020--by Years
April 30, 2026

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2027	$ 225,000	$ 96,875	$ 321,875
2028	225,000	92,375	317,375
2029	225,000	87,875	312,875
2030	225,000	83,375	308,375
2031	225,000	78,875	303,875
2032	225,000	74,375	299,375
2033	225,000	69,875	294,875
2034	225,000	65,375	290,375
2035	275,000	60,375	335,375
2036	275,000	54,875	329,875
2037	300,000	49,125	349,125
2038	300,000	43,125	343,125
2039	300,000	36,938	336,938
2040	300,000	30,563	330,563
2041	300,000	24,188	324,188
2042	300,000	17,813	317,813
2043	325,000	10,968	335,968
2044	325,000	3,655	328,655
	$ 4,800,000	$ 980,625	$ 5,780,625

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 162
TSI-5. Long-Term Debt Service Requirements
Series 2021 Refunding--by Years
April 30, 2026

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2027	$ 105,000	$ 32,525	$ 137,525
2028	105,000	29,375	134,375
2029	110,000	26,700	136,700
2030	110,000	24,500	134,500
2031	115,000	22,250	137,250
2032	115,000	19,950	134,950
2033	120,000	17,600	137,600
2034	115,000	15,250	130,250
2035	265,000	11,450	276,450
2036	260,000	6,200	266,200
2037	90,000	2,700	92,700
2038	90,000	900	90,900
	$ 1,600,000	$ 209,400	$ 1,809,400

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 162
TSI-5. Long-Term Debt Service Requirements
Series 2021A--by Years
April 30, 2026

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2027	$ 220,000	$ 111,625	$ 331,625
2028	220,000	105,025	325,025
2029	220,000	99,525	319,525
2030	220,000	95,125	315,125
2031	220,000	90,725	310,725
2032	220,000	86,188	306,188
2033	220,000	81,513	301,513
2034	220,000	76,700	296,700
2035	220,000	71,613	291,613
2036	220,000	66,388	286,388
2037	220,000	61,025	281,025
2038	220,000	55,388	275,388
2039	220,000	49,613	269,613
2040	220,000	43,838	263,838
2041	220,000	38,063	258,063
2042	220,000	32,288	252,288
2043	220,000	26,512	246,512
2044	225,000	20,671	245,671
2045	225,000	14,765	239,765
2046	225,000	8,858	233,858
2047	225,000	2,952	227,952
	$ 4,640,000	$ 1,238,400	$ 5,878,400

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 162
TSI-5. Long-Term Debt Service Requirements
Series 2023--by Years
April 30, 2026

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2027	$ 205,000	$ 330,269	$ 535,269
2028	215,000	318,194	533,194
2029	225,000	305,544	530,544
2030	240,000	292,175	532,175
2031	250,000	281,213	531,213
2032	265,000	272,844	537,844
2033	275,000	263,725	538,725
2034	290,000	253,113	543,113
2035	305,000	241,213	546,213
2036	320,000	228,713	548,713
2037	335,000	215,613	550,613
2038	350,000	201,913	551,913
2039	370,000	187,513	557,513
2040	390,000	172,313	562,313
2041	410,000	156,313	566,313
2042	430,000	138,975	568,975
2043	450,000	120,275	570,275
2044	470,000	100,725	570,725
2045	495,000	80,219	575,219
2046	520,000	58,650	578,650
2047	545,000	36,019	581,019
2048	575,000	12,219	587,219
	$ 7,930,000	$ 4,267,750	$ 12,197,750

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 162
TSI-5. Long-Term Debt Service Requirements
Series 2024 Park--by Years
April 30, 2026

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2027	$ 85,000	$ 75,325	$ 160,325
2028	85,000	70,650	155,650
2029	85,000	65,975	150,975
2030	85,000	61,300	146,300
2031	85,000	57,581	142,581
2032	85,000	54,819	139,819
2033	85,000	52,056	137,056
2034	85,000	49,294	134,294
2035	85,000	46,531	131,531
2036	85,000	43,556	128,556
2037	85,000	40,369	125,369
2038	85,000	37,181	122,181
2039	85,000	33,994	118,994
2040	85,000	30,700	115,700
2041	85,000	27,300	112,300
2042	80,000	24,000	104,000
2043	80,000	20,800	100,800
2044	80,000	17,600	97,600
2045	80,000	14,400	94,400
2046	80,000	11,200	91,200
2047	80,000	8,000	88,000
2048	80,000	4,800	84,800
2049	80,000	1,600	81,600
	$ 1,915,000	$ 849,031	$ 2,764,031

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 162
TSI-5. Long-Term Debt Service Requirements
Series 2024--by Years
April 30, 2026

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2027	$ 670,000	$ 655,375	$ 1,325,375
2028	670,000	618,525	1,288,525
2029	670,000	581,675	1,251,675
2030	670,000	544,825	1,214,825
2031	670,000	507,975	1,177,975
2032	670,000	471,125	1,141,125
2033	670,000	435,950	1,105,950
2034	670,000	402,450	1,072,450
2035	665,000	375,725	1,040,725
2036	665,000	355,775	1,020,775
2037	665,000	335,825	1,000,825
2038	665,000	315,875	980,875
2039	665,000	295,925	960,925
2040	665,000	275,975	940,975
2041	665,000	252,700	917,700
2042	665,000	226,100	891,100
2043	665,000	199,500	864,500
2044	665,000	172,900	837,900
2045	665,000	146,300	811,300
2046	665,000	119,700	784,700
2047	665,000	93,100	758,100
2048	665,000	66,500	731,500
2049	665,000	39,900	704,900
2050	665,000	13,300	678,300
	$ 16,000,000	$ 7,503,000	$ 23,503,000

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 162
TSI-5. Long-Term Debt Service Requirements
Series 2025--by Years
April 30, 2026

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2027	$ -	$ 535,813	$ 535,813
2028	460,000	522,012	982,012
2029	460,000	494,413	954,413
2030	460,000	466,812	926,812
2031	460,000	439,212	899,212
2032	460,000	411,613	871,613
2033	460,000	386,312	846,312
2034	460,000	363,312	823,312
2035	460,000	340,313	800,313
2036	460,000	319,038	779,038
2037	460,000	299,200	759,200
2038	460,000	278,787	738,787
2039	460,000	258,088	718,088
2040	460,000	237,388	697,388
2041	460,000	216,688	676,688
2042	460,000	195,988	655,988
2043	460,000	175,287	635,287
2044	455,000	154,700	609,700
2045	455,000	134,225	589,225
2046	455,000	113,750	568,750
2047	455,000	93,275	548,275
2048	455,000	72,800	527,800
2049	455,000	52,325	507,325
2050	455,000	31,565	486,565
2051	455,000	10,522	465,522
	$ 11,000,000	$ 6,603,438	$ 17,603,438

See accompanying auditor's report.

Fort Bend County Municipal Utility District No. 162
TSI-5. Long-Term Debt Service Requirements
All Bonded Debt Series--by Years
April 30, 2026

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2027	$ 2,065,000	$ 2,087,944	$ 4,152,944
2028	2,550,000	1,987,619	4,537,619
2029	2,575,000	1,873,403	4,448,403
2030	2,605,000	1,759,290	4,364,290
2031	2,630,000	1,647,878	4,277,878
2032	2,660,000	1,539,236	4,199,236
2033	2,695,000	1,432,834	4,127,834
2034	2,710,000	1,327,978	4,037,978
2035	2,720,000	1,229,983	3,949,983
2036	2,730,000	1,141,583	3,871,583
2037	2,505,000	1,056,932	3,561,932
2038	2,520,000	973,857	3,493,857
2039	2,455,000	889,971	3,344,971
2040	2,475,000	805,677	3,280,677
2041	2,380,000	719,452	3,099,452
2042	2,155,000	635,164	2,790,164
2043	2,200,000	553,342	2,753,342
2044	2,220,000	470,251	2,690,251
2045	1,920,000	389,909	2,309,909
2046	1,945,000	312,158	2,257,158
2047	1,970,000	233,346	2,203,346
2048	1,775,000	156,319	1,931,319
2049	1,200,000	93,825	1,293,825
2050	1,120,000	44,865	1,164,865
2051	455,000	10,522	465,522
	$ 55,235,000	$ 23,373,338	$ 78,608,338

See accompanying auditor's report.

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	Bond Issue			
	Series 2015	Series 2015A Refunding	Series 2017	Series 2017A
Interest rate	2.00% - 4.00%	2.00% - 4.00%	2.00% - 3.00%	2.50% - 4.00%
Dates interest payable	9/1; 3/1	9/1; 3/1	9/1; 3/1	9/1; 3/1
Maturity dates	9/1/16 - 9/1/39	9/1/16 - 9/1/35	9/1/18 - 9/1/40	9/1/18 - 9/1/40
Beginning bonds outstanding	$ 1,345,000	$ 2,730,000	$ 2,875,000	$ 940,000
Bonds issued				
Bonds retired	(75,000)	(235,000)	(175,000)	(55,000)
Ending bonds outstanding	$ 1,270,000	$ 2,495,000	$ 2,700,000	$ 885,000
Interest paid during fiscal year	$ 47,625	$ 104,500	$ 87,463	$ 28,213
Paying agent's name and city				
All series	The Bank of New York Mellon Trust Company, N.A., Houston, Texas			

Bond Authority:	Water, Sewer and Drainage Bonds	Park and Recreational Bonds	Water, Sewer and Drainage Refunding Bonds	Park and Recreational Refunding Bonds
Amount Authorized by Voters	$ 397,735,000	$ 56,150,000	$ 300,000,000	$ 50,500,000
Amount Issued	(60,130,000)	(3,325,000)		
Remaining To Be Issued	$ 337,605,000	$ 52,825,000	$ 300,000,000	$ 50,500,000

Bond Authority:	Refunding Bonds
Amount Authorized by Voters	$ 16,645,000
Amount Issued	(300,000)
Remaining To Be Issued	$ 16,345,000

Debt Service Fund cash and investment balances as of April 30, 2026: $ 4,922,606

Average annual debt service payment (principal and interest) for remaining term of all debt: $ 3,144,334

See accompanying auditor’s report.

Bond Issue					
Series 2020	Series 2021 Refunding	Series 2021A	Series 2023	Series 2024 Park	Series 2024
1.00% - 2.25%	2.00% - 3.00%	2.00% - 3.00%	3.25% - 5.75%	3.25% - 5.50%	3.00% - 5.50%
9/1; 3/1	9/1; 3/1	9/1; 3/1	9/1; 3/1	9/1; 3/1	9/1; 3/1
9/1/21 - 9/1/43	9/1/22 - 9/1/37	9/1/23 - 9/1/46	9/1/24 - 9/1/47	9/1/25 - 9/1/48	9/1/26 - 9/1/49
$ 5,025,000	$ 1,700,000	$ 4,860,000	$ 8,125,000	$ 2,000,000	$ 16,000,000
(225,000)	(100,000)	(220,000)	(195,000)	(85,000)	
$ 4,800,000	$ 1,600,000	$ 4,640,000	$ 7,930,000	$ 1,915,000	$ 16,000,000
$ 101,375	$ 35,600	$ 118,225	$ 341,769	$ 79,894	$ 673,800

	Bond Issue	
	Series 2025	Totals
Interest rate	4.25% - 6.00%	
Dates interest payable	9/1; 3/1	
Maturity dates	9/1/27 - 9/1/50	
Beginning bonds outstanding	$ -	$ 45,600,000
Bonds issued	11,000,000	11,000,000
Bonds retired		(1,365,000)
Ending bonds outstanding	$ 11,000,000	$ 55,235,000
Interest paid during fiscal year	$ 293,209	$ 1,911,673

See accompanying auditor's report.

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Fort Bend County Municipal Utility District No. 162
TSI-7a. Comparative Schedule of Revenues and Expenditures - General Fund
For the Last Five Fiscal Years

	Amounts				
	2026	2025	2024	2023	2022
Revenues					
Water service	$ 776,580	$ 1,093,207	$ 615,433	$ 466,618	$ 426,267
Sewer service	1,357,510	1,771,336	1,048,029	858,693	731,868
Property taxes	2,654,023	1,324,388	1,039,876	926,673	723,252
Penalties and interest	69,837	65,048	56,856	41,071	30,184
Tap connection and inspection	424,585	521,258	1,356,049	68,768	259,804
Fire protection services	274,268	277,684	254,964	261,662	263,333
Surface water	749,267	645,517	531,828	362,875	318,727
Tax increment - Fort Bend County**		625,637			
Miscellaneous	154,199	117,573	111,834	113,827	71,429
Investment Earnings	150,988	217,028	194,836	79,970	8,604
Total Revenues	6,611,257	6,658,676	5,209,705	3,180,157	2,833,468
Expenditures					
Current service operations					
Professional fees	591,639	570,292	444,541	379,194	372,383
Contracted services	1,680,871	1,662,747	1,018,848	855,086	564,841
Repairs and maintenance	1,184,763	1,113,398	822,584	710,023	730,321
Smart meter installation				29,740	485,704
Utilities	210,078	159,123	167,359	175,501	159,027
Fire protection services	268,660	266,920	258,460	258,120	255,740
Surface water	625,236	577,192	498,892	326,765	303,945
Administrative	169,413	171,083	167,124	130,479	99,138
Other	148,568	154,423	82,252	54,027	62,952
Capital outlay	965,076	2,143,116	1,050,651	1,964,296	981,711
Debt service					
Developer interest					569
Total Expenditures	5,844,304	6,818,294	4,510,711	4,883,231	4,016,331
Revenues Over (Under) Expenditures	766,953	(159,618)	698,994	(1,703,074)	(1,182,863)
Other Financing Uses					
Internal transfers	(712,752)				
Other Items					
Capital recovery fees			1,047,673	2,133,271	357,825
Net Change in Fund Balance	54,201	(159,618)	1,746,667	430,197	(825,038)
Fund Balance, Beginning of the year	4,534,684	4,694,302	2,947,635	2,517,438	3,342,476
End of the year	$ 4,588,885	$ 4,534,684	$ 4,694,302	$ 2,947,635	$ 2,517,438
Total Active Retail Water Connections	2,118	1,988	1,835	1,378	1,305
Total Active Retail Wastewater Connections	2,091	1,963	1,814	1,364	1,293

*Percentage is negligible

**Tax increment revenue from Fort Bend County is now reported in the TIRZ Revenue Fund

See accompanying auditor's report.

Percent of Fund Total Revenues				
2026	2025	2024	2023	2022
12%	16%	12%	15%	15%
21%	27%	20%	27%	26%
41%	20%	20%	29%	26%
1%	1%	1%	1%	1%
6%	8%	26%	2%	9%
4%	4%	5%	8%	9%
11%	10%	10%	11%	11%
	9%			
2%	2%	2%	4%	3%
2%	3%	4%	3%	*
100%	100%	100%	100%	100%
9%	9%	9%	12%	13%
25%	25%	20%	27%	20%
18%	17%	16%	22%	26%
			1%	17%
3%	2%	3%	6%	6%
4%	4%	5%	8%	9%
9%	9%	10%	10%	11%
3%	3%	3%	4%	3%
2%	2%	2%	2%	2%
15%	32%	20%	62%	35%
				*
88%	103%	88%	154%	142%
12%	(3%)	12%	(54%)	(42%)

Fort Bend County Municipal Utility District No. 162
TSI-7b. Comparative Schedule of Revenues and Expenditures - Debt Service Fund
For the Last Five Fiscal Years

	Amounts				
	2026	2025	2024	2023	2022
Revenues					
Property taxes	$ 3,200,072	$ 3,525,168	$ 2,543,444	$ 2,170,538	$ 1,470,288
Penalties and interest	7,905	10,712	5,698	3,838	6,280
Miscellaneous	95	106	23	21	6
Investment earnings	183,306	175,882	143,763	59,767	2,749
Total Revenues	3,391,378	3,711,868	2,692,928	2,234,164	1,479,323
Expenditures					
Other					120
Debt service					
Principal	1,365,000	1,260,000	1,065,000	830,000	805,000
Interest and fees	1,921,271	1,290,815	927,860	612,325	542,368
Debt Issuance costs					118,719
Total Expenditures	3,286,271	2,550,815	1,992,860	1,442,325	1,466,207
Revenues Over Expenditures	105,107	1,161,053	700,068	791,839	13,116
Other Financing Sources (Uses)					
Proceeds from sale of bonds				179,006	134,725
Proceeds from sale of refunding bonds					1,995,000
Bond premium					52,041
Payment to refunded bond escrow agent					(1,274,027)
Debt service - principal					(650,000)
Net Change in Fund Balance	105,107	1,161,053	700,068	970,845	270,855
Fund Balance, Beginning of the year	4,812,402	3,651,349	2,951,281	1,980,436	1,709,581
End of the year	$ 4,917,509	$ 4,812,402	$ 3,651,349	$ 2,951,281	$ 1,980,436

*Percentage is negligible

See accompanying auditor's report.

Percent of Fund Total Revenues				
2026	2025	2024	2023	2022
95%	95%	95%	97%	100%
*	*	*	*	*
*	*	*	*	*
5%	5%	5%	3%	*
100%	100%	100%	100%	100%
				*
40%	34%	40%	37%	54%
57%	35%	34%	27%	37%
				8%
97%	69%	74%	64%	99%
3%	31%	26%	36%	1%

Fort Bend County Municipal Utility District No. 162
TSI-8. Board Members, Key Personnel and Consultants
For the Year Ended April 30, 2026

Complete District Mailing Address:	3200 Southwest Freeway, Suite 2600 Houston, TX 77027	
District Business Telephone Number:	(713) 860-6400	
Submission Date of the most recent District Registration Form		
(TWC Sections 36.054 and 49.054):	April 17, 2025	
Limit on Fees of Office that a Director may receive during a fiscal year:		$ 7,200
(Set by Board Resolution -- TWC Section 49.060)		

Names:	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid *	Expense Reimburse-ments	Title at Year End
Board Members				
Dale Clayton	5/24 - 5/28	$ 5,967	$ 446	President
Michael Gutierrez	5/24 - 5/28	6,409	464	Vice President
Floyd Martinez	5/22 - 5/26	5,746	185	Secretary
Yvonne Pena	4/25 - 5/26	5,304	144	Assistant Vice President
Steven Raymond	5/24 - 5/28	7,200	741	Assistant Secretary
Consultants		Amounts Paid		
Allen Boone Humphries Robinson LLP	2006			Attorney
General legal fees		$ 412,647		
Bond counsel		269,506		
Si Environmental, LLC	2013	1,619,418		Operator
Municipal Accounts & Consulting LP	2018	111,857		Bookkeeper
Fort Bend County Tax Office	2014	1,034		Tax Collector
Fort Bend Central Appraisal District	Legislation	55,278		Property Valuation
Perdue Brandon Fielder Collins & Mott, LLP	2006			Delinquent Tax Attorney
McGrath & Co., PLLC	2011	30,300		Auditor
Masterson Advisors, LLC	2018	195,582		Financial Advisor
Odyssey Engineering Group	2016	759,969		Engineer
GreenScape Associates	2014	327,163		Landscape Maintenance
TBG Partners	2021	41,679		Landscape Architect
Touchstone District Services	2021	10,434		Webmaster

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

See accompanying auditor’s report.