HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 44

(Harris County, Texas)

PRELIMINARY OFFICIAL STATEMENT

DATED: OCTOBER 13, 2026

$2,000,000

UNLIMITED TAX BONDS

SERIES 2026

BIDS TO BE SUBMITTED BY: 10:00 A.M., CENTRAL TIME

TUESDAY, NOVEMBER 10, 2026

BONDS TO BE AWARDED AT: 4:00 P.M., CENTRAL TIME

TUESDAY, NOVEMBER 10, 2026

CEDAR CREEK
MUNICIPAL ADVISORS

Financial Advisor

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 13, 2026

This Preliminary Official Statement is subject to completion and amendment and is intended for the solicitation of initial bids to purchase the Bonds (herein defined). Upon the sale of the Bonds, the Official Statement will be completed and delivered to the Initial Purchaser (herein defined).

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

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

NEW ISSUE – Book Entry Only

Rating: S&P Global Ratings (Underlying) ..... "A-"
See "MUNICIPAL BOND INSURANCE" and "RATING."

$2,000,000

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 44
(A political subdivision of the State of Texas located within Harris County)
UNLIMITED TAX BONDS, SERIES 2026

Dated: December 1, 2026
Interest Accrues from: Delivery Date

Due: September 1, as shown on the inside cover

The $2,000,000 Unlimited Tax Bonds, Series 2026 (the "Bonds") are obligations of Harris County Municipal Utility District No. 44 (the "District") and are not obligations of the State of Texas; Harris County, Texas (the "County"); the City of Houston, Texas (the "City"); or any entity other than the District. Neither the full faith and credit nor the taxing power of the State of Texas; the County; the City, nor any entity other than the District, is pledged to the payment of the principal of or the interest on the Bonds.

Principal of the Bonds is payable upon presentation at the principal payment office of the paying agent/registrar, initially, BOKF, NA, Dallas, Texas (the "Paying Agent/Registrar"). The Bonds are dated December 1, 2026 (the "Dated Date") and will accrue interest from the initial date of delivery (on or about December 9, 2026) (the "Delivery Date"), and be payable on March 1, 2027, and on each September 1 and March 1 thereafter (each an "Interest Payment Date") until the earlier of maturity or redemption. Interest on the Bonds will be payable by check dated as of the Interest Payment Date and mailed by the Paying Agent/Registrar to registered owners as shown on the records of the Paying Agent/Registrar at the close of business on the 15th calendar day of the month next preceding each Interest Payment Date. The Bonds will be issued as fully registered bonds in principal denominations of $5,000 or any integral multiple thereof.

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

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

The Bonds constitute the second series of unlimited tax bonds issued from the election held within the District on May 4, 2019, for the purpose of constructing or acquiring water, wastewater, and drainage facilities to serve the District (the "Utility System"). Voters in the District authorized a total of $10,000,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring the Utility System to serve the District and $10,000,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Utility System at an election held within and for the District on May 4, 2019. Following the issuance of the Bonds, $5,000,000 of authorized unlimited tax bonds for the Utility System will remain authorized but unissued. See "THE BONDS – Authority for Issuance."

The Bonds, when issued, will constitute valid and binding obligations of the District and will be payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property within the District, as further described herein. See "THE BONDS – Source of Payment."

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

The Bonds are offered, when, as and if issued by the District and accepted by the initial purchaser of the Bonds (the "Initial Purchaser"), subject, among other things, to the approval of the Attorney General of Texas and the approval of certain legal matters by Sanford Kuhl Hagan Kugle Parker Kahn LLP, Bond Counsel. Delivery of the Bonds through the facilities of DTC is expected on or about December 9, 2026.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL REOFFERING YIELDS, AND CUSIP NOS.

$2,000,000 Unlimited Tax Bonds, Series 2026

Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. _____ (b)	Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. _____ (b)
2027	$ 65,000	___%	___%	___	2040 (c)	$ 80,000	___%	___%	___
2028	40,000	___%	___%	___	2041 (c)	80,000	___%	___%	___
2029	45,000	___%	___%	___	2042 (c)	85,000	___%	___%	___
2030	45,000	___%	___%	___	2043 (c)	90,000	___%	___%	___
2031	50,000	___%	___%	___	2044 (c)	95,000	___%	___%	___
2032	50,000	___%	___%	___	2045 (c)	100,000	___%	___%	___
2033 (c)	55,000	___%	___%	___	2046 (c)	105,000	___%	___%	___
2034 (c)	55,000	___%	___%	___	2047 (c)	110,000	___%	___%	___
2035 (c)	60,000	___%	___%	___	2048 (c)	120,000	___%	___%	___
2036 (c)	65,000	___%	___%	___	2049 (c)	125,000	___%	___%	___
2037 (c)	65,000	___%	___%	___	2050 (c)	130,000	___%	___%	___
2038 (c)	70,000	___%	___%	___	2051 (c)	140,000	___%	___%	___
2039 (c)	75,000	___%	___%	___					

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

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

(c) Bonds maturing on September 1, 2033, and thereafter shall be subject to redemption and payment at the option of the District, in whole, or from time to time in part, on September 1, 2032, or on any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. In addition, the Initial Purchaser may designate one (1) or more of the Bonds as term bonds. See "THE BONDS – REDEMPTION PROVISIONS."

USE OF INFORMATION IN OFFICIAL STATEMENT

For purposes of compliance with United States Securities and Exchange Commission (the "SEC") Rule 15c2-12 of the Securities Exchange Act (the "Rule"), as amended, and in effect on the date of this Preliminary Official Statement, this document constitutes an "official statement" of the District 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 information permitted by the Rule.

This document, when further supplemented by adding additional information specifying the interest rates and certain other information relating to the Bonds, shall constitute a "final official statement" of the District with respect to the Bonds, as such term is defined in the Rule.

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

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 Bond Counsel (herein defined), for further information.

The Financial Advisor has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibility 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.

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

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

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

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APPENDIX A – Financial Statements of the District

SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the Bonds, the District has accepted the bid of _____ (the "Initial Purchaser") to purchase the Bonds at the interest rates shown on inside cover of this Official Statement at a price of _____% of par, resulting in a net effective interest rate of _____%, as calculated pursuant to Chapter 1204, Texas Government Code, as amended.

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

Prices and Marketability

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

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

Securities Laws

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

MUNICIPAL BOND INSURANCE

The District has made an application to Build America Mutual Assurance Company and Assured Guaranty, Inc. for a commitment for municipal bond guaranty insurance on the Bonds. If qualified and the Initial Purchaser elects to purchase municipal bond insurance, the payment of all costs associated with the insurance, including the premium charged by the insurance company, and fees charged by rating companies, other than S&P Global Ratings, a business unit of S&P ("S&P"), will be the obligation of the Initial Purchaser. The District will pay the underlying rating fees charged by S&P.

RATING

S&P has assigned an underlying credit rating of "A-" to the Bonds. An explanation of the rating may be obtained from S&P at https://www.spglobal.com/en/. Furthermore, a security rating is not a recommendation to buy, sell or hold securities. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by S&P, if in their judgment, circumstances so warrant. Any such revisions or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

The District is not aware of any rating assigned the Bonds other than the rating of S&P.

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OFFICIAL STATEMENT SUMMARY

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

THE BONDS

The Issuer	Harris County Municipal Utility District No. 44 (the "District"), a political subdivision of the State of Texas, is located in Harris County, Texas (the "County"). See "THE DISTRICT."
The Bonds	The District is issuing its $2,000,000 Unlimited Tax Bonds, Series 2026 (the "Bonds"). The Bonds are dated December 1, 2026 (the "Dated Date") and will accrue interest from the initial date of delivery (on or about December 9, 2026) (the "Delivery Date"), at the rates per annum set forth on the inside cover of this Official Statement and be payable on March 1, 2027, and on each September 1 and March 1 thereafter until maturity or earlier redemption. The Bonds are offered in fully registered form in integral multiples of $5,000 for any one maturity. See "THE BONDS."
Redemption Provisions	Bonds maturing on and after September 1, 2033, are subject to redemption, in whole or from time to time in part, at the option of the District on September 1, 2032, and on any date thereafter at a price of par plus accrued interest from the most recent interest payment date to the date of redemption. See "THE BONDS – Redemption Provisions."
Payment Record	The District has previously issued four (4) series of waterworks and sewer system combination unlimited tax and revenue bonds, one (1) series of waterworks and sewer system combination unlimited tax and revenue refunding bonds, and one (1) series of waterworks and sewer system unlimited tax refunding bonds. The Bonds constitute the second series of unlimited tax bonds issued from the election held within the District on May 4, 2019, for the purpose of constructing or acquiring water, wastewater, and drainage facilities to serve the District (the "Utility System"). The District has never defaulted on the timely payment of principal and interest on its bonded indebtedness. See "THE BONDS – Source of Payment."
Authority for Issuance	At an election held within the District on May 4, 2019 (the "2019 Election"), voters of the District authorized the District's issuance of $10,000,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring the Utility System and $10,000,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Utility System. Following the issuance of the Bonds, $5,000,000 of authorized unlimited tax bonds for the Utility System will remain authorized but unissued. The Bonds are issued pursuant to (i) Article XVI, Section 59 of the Texas Constitution and the general laws of the State of Texas, including particularly Chapters 49 and 54 of the Texas Water Code, as amended; (ii) an election held within the District on May 4, 2019; (iii) an order authorizing the issuance of the Bonds adopted by the Board of Directors of the District (the "Board") on the date of sale of the Bonds (the "Bond Order"); and (iv) an order of the Texas Commission on Environmental Quality ("TCEQ").
Source of Payment	The Bonds are payable from a continuing direct annual ad valorem tax, unlimited 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 State of Texas; the County; the City; or any entity other than the District. See "THE BONDS – Source of Payment."
Use of Proceeds	Proceeds from the sale of the Bonds will be used to finance all or a portion of the improvements and related costs shown herein under "THE BONDS –

	Use and Distribution of Bond Proceeds." Additionally, proceeds from the sale of the Bonds will be used to pay capitalized interest and other costs associated with the issuance of the Bonds. See "THE BONDS – Use and Distribution of Bond Proceeds."
Qualified Tax-Exempt Obligations	The District will designate the Bonds as "Qualified Tax-Exempt Obligations" for financial institutions. See "TAX MATTERS – Qualified Tax-Exempt Obligations."
Outstanding Bonds	The District has previously issued one (1) series of unlimited tax bonds from the 2019 Election for the purpose of acquiring or constructing the Utility System: $3,000,000 Unlimited Tax Bonds, Series 2024. As of the Date of Delivery, $2,860,000 principal amount of such previously issued bonds will remain outstanding (the "Outstanding Bonds"). See "THE BONDS – Outstanding Bonds."
Municipal Bond Insurance	The District has made an application to Build America Mutual Assurance Company and Assured Guaranty, Inc. for a commitment for municipal bond guaranty insurance on the Bonds. If qualified and the Initial Purchaser elects to purchase municipal bond insurance, the payment of all costs associated with the insurance, including the premium charged by the insurance company, and fees charged by rating companies, other than S&P Global Ratings, a business unit of S&P ("S&P"), will be the obligation of the Initial Purchaser. The District will pay the underlying rating fees charged by S&P. See "MUNICIPAL BOND INSURANCE"
Rating	S&P has assigned an underlying credit rating of "A-" to the Bonds. An explanation of the rating may be obtained from S&P at https://www.spglobal.com/en/. Furthermore, a security rating is not a recommendation to buy, sell or hold securities. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by S&P, if in their judgment, circumstances so warrant. Any such revisions or withdrawal of the rating may have an adverse effect on the market price of the Bonds. The District is not aware of any rating assigned to the Bonds other than the rating of S&P. See "RATING."
Bond Counsel	Sanford Kuhl Hagan Kugle Parker Kahn LLP, Houston, Texas.
Disclosure Counsel	McCall, Parkhurst & Horton L.L.P., Houston, Texas.
Financial Advisor	Cedar Creek Municipal Advisors, LLC, Houston, Texas.
Engineer	Langford Engineering, Inc., Houston, Texas.

THE DISTRICT

Description	The District, a political subdivision of the State of Texas, is located entirely within Harris County, Texas, and encompasses approximately 300 acres, which lies wholly within the exclusive extraterritorial jurisdiction of the City of Houston, Texas (the "City"). See "THE DISTRICT." The District is vested with all rights, power, privileges, authority, and functions of the general laws of the State of Texas pertaining to municipal utility districts, including without limitation those conferred by Chapters 49 & 54, Texas Water Code, as amended, and Article XVI, Section 59 of the Texas Constitution. The District is subject to the continuing supervision of the TCEQ.
Location	The District is located approximately 24 miles northwest of Houston's central business, approximately 4 miles west of Interstate Highway 45 (IH-45), approximately 1 mile north of Farm to Market Road 1960 (FM 1960). See "THE DISTRICT – Location."

Development within the District	To date, approximately 257 acres have been developed within the District for 738 single-family residential homes, and approximately 19 acres have been developed for commercial use. The remainder of the land within the District includes approximately 24 undevelopable acres. See "DEVELOPMENT OF THE DISTRICT."

INVESTMENT CONSIDERATIONS

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

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SELECTED FINANCIAL INFORMATION
(UNAUDITED)

2026 Taxable Assessed Valuation	$ 230,219,249	(a)
Direct Debt:		
The Bonds	$ 2,000,000	
The Outstanding Bonds	$ 2,860,000	
Total	$ 4,860,000	
Estimated Overlapping Debt	$ 16,848,060	(b)
Total Direct and Estimated Overlapping Debt	$ 21,708,060	(b)
Direct Debt Ratio:		
As a Percentage of the 2026 Taxable Assessed Valuation	2.11 %	
Direct and Estimated Overlapping Debt Ratio:		
As a Percentage of the 2026 Taxable Assessed Valuation	9.43 %	
Debt Service Fund Balance (as of October 13, 2026)	$ 121,165	(c)
Operating Fund Balance (as of October 13, 2026)	$ 4,927,961	
Capital Projects Fund Balance (as of October 13, 2026)	$ 86,640	
2026 Tax Rate		
Utility Debt Service	$ 0.145	
Maintenance and Operations	$ 0.175	
Total	$ 0.320	
Combined Estimated Average Annual Debt Service Requirement on the Bonds and the Outstanding Bonds (2027–2051)	$ 324,302	(d)
Combined Estimated Maximum Annual Debt Service Requirement on the Bonds and the Outstanding Bonds (2049)	$ 349,769	(d)
Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay the Combined Estimated Average Annual Debt Service Requirements on the Outstanding Bonds and the Bonds (2027–2051) Based on the 2026 Taxable Assessed Valuation at 95% Tax Collections	$ 0.15	
Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay the Combined Estimated Maximum Annual Debt Service Requirements on the Outstanding Bonds and the Bonds (2049) Based on the 2026 Taxable Assessed Valuation at 95% Tax Collections	$ 0.16	

(a) Represents the assessed valuation of all taxable property in the District as of January 1, 2026, as provided by the Harris Central Appraisal District (the "Appraisal District"). Such amount includes $7,702,616 of uncertified value, which represents 80% of the value currently under review by the Appraisal District. See "TAX DATA" and "TAXING PROCEDURES."

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

(c) In addition to this amount, eighteen (18) months of capitalized interest will be deposited into the District's Debt Service Fund (herein defined) upon closing of the Bonds. Neither Texas law nor the Bond Order requires that the District maintain any particular sum in the Debt Service Fund.

(d) Debt service on the Bonds is estimated based on an interest rate of 5.50%. See "DISTRICT DEBT – Estimated Debt Service Requirement Schedule."

Preliminary Official Statement

relating to

$2,000,000

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 44

UNLIMITED TAX BONDS

SERIES 2026

This Preliminary Official Statement of Harris County Municipal Utility District No. 44 (the "District") is provided to furnish information with respect to the issuance by the District of its $2,000,000 Unlimited Tax Bonds, Series 2026 (the "Bonds").

The Bonds are issued pursuant to (i) Article XVI, Section 59 of the Texas Constitution and the general laws of the State of Texas, including particularly Chapters 49 and 54 of the Texas Water Code, as amended; (ii) an election held within the District on May 4, 2019 (the "2019 Election"); (iii) an order authorizing the issuance of the Bonds adopted by the Board of Directors of the District (the "Board") on the date of sale of the Bonds (the "Bond Order"); and (iv) an order of the Texas Commission on Environmental Quality ("TCEQ").

Included in this Preliminary Official Statement are descriptions of the Bonds and certain information about the District and its finances. ALL DESCRIPTIONS OF DOCUMENTS CONTAINED HEREIN ARE SUMMARIES ONLY AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO EACH SUCH DOCUMENT. Copies of such documents may be obtained from the District at Sanford Kuhl Hagan Kugle Parker Kahn LLP, 1330 Post Oak Boulevard, Suite 2650, Houston, Texas 77056 or during the offering period from the District's Financial Advisor, Cedar Creek Municipal Advisors, LLC, Attn: Stephen Eustis. 4801 Woodway Drive, Suite 118-E, Houston, Texas 77056 upon payment of reasonable copying, mailing, and handling charges.

THE BONDS

General

The following is a description of some of the terms and conditions of the Bonds, which is qualified in its entirety by reference to the Bond Order.

The Bonds are dated December 1, 2026 (the "Dated Date") and will accrue interest from the initial date of delivery (on or about December 9, 2026) (the "Delivery Date"), and be payable on March 1, 2027, and each September 1 and March 1 thereafter (each an "Interest Payment Date") until the earlier of maturity or redemption. The Bonds are fully registered bonds maturing on September 1 of the years shown on the inside cover of this Official Statement. The Bonds will be issued only in fully registered form in any integral multiple of $5,000 of the principal amount for any one maturity and will be initially registered and delivered only to Cede & Co., the nominee of the Depository Trust Company ("DTC"), pursuant to the Book-Entry-Only System described herein. No physical delivery of the Bonds will be made to the owners thereof. Principal of, premium, if any, and interest on the Bonds, will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the beneficial owners of the Bonds. See "THE BONDS - Book-Entry-Only System" herein. The initial paying agent for the Bonds is BOKF, NA, Dallas, Texas (the "Paying Agent/Registrar").

In the event that the Book-Entry-Only System is discontinued, interest on the Bonds will be payable by check, dated as of the Interest Payment Date, and mailed by the Paying Agent/Registrar to Registered Owners as shown on the records of the Paying Agent/Registrar at the close of business on the 15th calendar day of the month next preceding the Interest Payment Date (the "Record Date") or by such other customary banking arrangements as may be agreed upon by the Paying Agent/Registrar and a Registered Owner at the risk and expense of such Registered Owner.

Book-Entry-Only System

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

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

and Exchange Commission (the "SEC"), and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC.

DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" together with the Direct Participants, the "Participants"). DTC has a rating of AA+ from S&P Global Ratings. The DTC rules applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

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

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

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

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

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

Redemption proceeds, principal, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with 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/Registrar or the District, subject to any statutory or regulatory requirements as may be in effect from

time to time. Payment of redemption proceeds, principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

Use of Certain Terms in Other Sections of this Official Statement

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

Successor Paying Agent/Registrar

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

Registration, Transfer and Exchange

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

Funds

The District maintains a fund for debt service payments on the Bonds, the Outstanding Bonds, and any additional unlimited tax bonds issued for the Utility System (the "Debt Service Fund"). The Debt Service Fund, which constitutes a trust fund for the benefit of the owners of the Bonds, the Outstanding Bonds, and any additional unlimited tax bonds issued by the District for the purpose of constructing or acquiring water, wastewater, and drainage facilities to serve the District issued for the Utility System, is to be kept separate from all other funds of the District, and is to be used for payment of debt service on the Bonds, the Outstanding Bonds, and any of the District's duly authorized additional bonds issued for the Utility System payable in whole or part from taxes. Eighteen (18) months of capitalized interest will be deposited into the District's Debt Service Fund on the Delivery Date. Amounts on deposit in the Debt Service Fund may also be used to pay the fees and expenses of the Paying Agent/Registrar, to defray the expenses of assessing and collecting taxes levied for payment of

interest on and principal of the Bonds, the Outstanding Bonds, and any additional bonds issued for the Utility System payable in whole or in part from taxes, and to pay any tax anticipation notes issued, together with interest thereon, as such tax anticipation notes become due.

Redemption Provisions

Bonds maturing on September 1, 2033, and thereafter shall be subject to redemption and payment at the option of the District, in whole or from time to time in part, on September 1, 2032, or on any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. Notice of the exercise of the reserved right of redemption will be given at least thirty (30) days prior to the redemption date by sending such notice by first class mail to the Registered Owner of each Bond to be redeemed in whole or in part at the address shown on the bond register. If less than all of the Bonds are redeemed at any time, the maturities of the Bonds to be redeemed shall be selected by the District. If less than all of the Bonds of a certain maturity are to be redeemed, the particular Bonds or portions thereof to be redeemed will be selected by the Paying Agent/Registrar prior to the redemption date by such random method as the Paying Agent/Registrar deems fair and appropriate in integral multiples of $5,000 within any one maturity. The Registered Owner of any Bond, all or a portion of which has been called for redemption, shall be required to present such Bond to the Paying Agent/Registrar for payment of the redemption price on the portion of the Bonds so called for redemption and issuance of a new Bond in the principal amount equal to the portion of such Bond not redeemed.

Mutilated, Lost, Stolen or Destroyed Bonds

In the event the Book-Entry-Only System is discontinued, the District has agreed to replace mutilated, destroyed, lost or stolen Bonds upon surrender of the mutilated Bonds to the Paying Agent/Registrar, or receipt of satisfactory evidence of such destruction, loss or theft, and receipt by the District and Paying Agent/Registrar of security or indemnity as may be required by either of them to hold them harmless. The District may require payment of taxes, governmental charges and other expenses in connection with any such replacement.

Authority for Issuance

At the 2019 Election, voters of the District authorized the District's issuance of $10,000,000 principal amount of unlimited tax bonds for the Utility System and $10,000,000 principal amount of unlimited tax refunding bonds for the purpose of refunding bonds issued by the District for the Utility System.

The Bonds are issued pursuant to (i) Article XVI, Section 59 of the Texas Constitution and the general laws of the State of Texas, including particularly Chapters 49 and 54 of the Texas Water Code, as amended; (ii) the 2019 Election; (iii) the Bond Order; and (iv) an order of the TCEQ.

Source of Payment

The 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 located within the District. In the Bond Order, the District covenants to levy a sufficient tax to pay principal of and interest on the Bonds, with full allowance being made for delinquencies, costs of collections, and certain fees. Tax proceeds, after deduction for collection costs, will be placed in the Debt Service Fund and used solely to pay principal of and interest on the Bonds, and additional bonds payable from taxes which may be issued.

The Bonds are obligations solely of the District and are not the obligations of the State of Texas; the County; the City; or any entity other than the District.

Payment Record

The District has previously issued four (4) series of waterworks and sewer system combination unlimited tax and revenue bonds, one (1) series of waterworks and sewer system combination unlimited tax and revenue refunding bonds, and one (1) series of waterworks and sewer system unlimited tax refunding bonds. The Bonds constitute the second series of unlimited tax bonds issued from the election held within the District on May 4, 2019, for the purpose of constructing or acquiring the Utility System. The District has never defaulted on the timely payment of principal and interest on its bonded indebtedness.

Issuance of Additional Debt

After issuance of the Bonds, the following principal amounts of unlimited tax bonds will remain authorized but unissued: $5,000,000 for the Utility System and $10,000,000 for the refunding of bonds issued by the District for the Utility System. The District may also issue any additional bonds as may hereafter be approved by both the Board of Directors and voters of the District as well as certain additional bonds, revenue bonds, special project bonds, and other obligations as described in the Bond Order. The Bond Order imposes no limitation on the amount of additional parity bonds which may be issued by the District (if authorized by the District's voters and, in the case of bonds issued for the Utility System, approved by the TCEQ).

Outstanding Bonds

The District has previously issued one (1) series of unlimited tax bonds for the purpose of acquiring or constructing the Utility System from the 2019 Election: $3,000,000 Unlimited Tax Bonds, Series 2024. As of the Date of Delivery, $2,860,000 principal amount of such previously issued bonds remains outstanding (the "Outstanding Bonds").

Future Debt

At the 2019 Election, voters of the District authorized the District's issuance of $10,000,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring the Utility System and $10,000,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Utility System. See "THE BONDS – Authority for Issuance."

The Bonds constitute the second series of unlimited tax bonds issued from the 2019 Election for the purpose of constructing or acquiring the Utility System. After issuance of the Bonds, the following principal amounts of unlimited tax bonds will remain authorized but unissued: $5,000,000 for the purpose of constructing or acquiring the Utility System and $10,000,000 for the purpose of refunding such bonds. The District may also issue any additional bonds as may hereafter be approved by both the Board and voters of the District, as well as certain additional bonds, revenue bonds, special project bonds, and other obligations as described in the Bond Order. See "THE BONDS – Issuance of Additional Debt."

Financing Parks and Recreational Facilities

The District is authorized by statute to develop parks and recreational facilities, including the issuing of bonds payable from taxes for such purpose. Before the District could issue park bonds payable from taxes, the following actions would be required: (a) approval of a park plan by the Board of Directors of the District; (b) approval of a park bond authorization by the voters of the District; (c) approval of the park project and bonds by the TCEQ; and (d) approval of the bonds by the Attorney General of Texas. If the District does issue park bonds, the outstanding principal amount of such bonds may not exceed an amount equal to one percent of the value of the taxable property in the District, 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 but not three percent of the value of the taxable property in the District. The District has not considered calling an election for such purposes but could do so in the future.

In addition, the District may levy an operation and maintenance tax to support recreational facilities at a rate not to exceed $0.10 per $100 of assessed valuation of taxable property within the District, after such tax is approved at an election. The District has not authorized an operations and maintenance tax for parks and recreational facilities.

Current law may be changed in a manner to increase the amount of bonds that may be issued as related to a percentage of the value of taxable property or to allow a higher or lower maintenance tax rate for such purposes. The levy of taxes for such purposes may dilute the security for the Bonds.

Amendments to the Bond Order

The District may, without the consent of or notice to any Registered Owners, amend the Bond order in any manner not detrimental to the interests of the Registered Owners, including the curing of any ambiguity, consistency or formal defect or omission therein. ln addition, the District may, with the written consent of the Registered Owners of a majority in aggregate principal amount of the Bonds then outstanding affected thereby, amend, add to or rescind any of the provisions of the Bond Order, provided that, without the consent of the Registered Owners of all of the Bonds affected, and provided that it has not failed to make a timely payment of principal of or interest on the Bonds, no such amendment, addition or rescission may (1) change the date specified as the date on which the principal of or any installment of interest of on any Bond is due and payable, reduce the principal amount thereof, the redemption price thereof, or the rate of interest thereon, change the place or places at, or the coin or currency in which any Bond or the interest thereon is payable, or in any other way modify the terms or sources of payment of the principal of or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) modify any of the provisions of the Bond Order relating to the amendment thereof, except to increase any percentage provided thereby or to provide that certain other provisions of the Bond Order cannot be modified or waived without the consent of the holder of each Bond affected thereby. In addition, a state, consistent with federal law, may, in the exercise of its police power, make such modifications in the terms and conditions of contractual covenants relating to the payment of indebtedness of a political subdivision as are reasonable and necessary for attainment of an important public purpose.

No Arbitrage

The District will certify, on the date of delivery of the Bonds, that based upon all facts and estimates now known or reasonably expected to be in existence on the date the Bonds are delivered and paid for, the District reasonably expects that the proceeds of the Bonds will not be used in a manner that would cause the Bonds, or any portion of the Bonds, to be "arbitrage bonds" under the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations prescribed thereunder. Furthermore, all officers, employees, and agents of the District have been authorized and directed to provide

certifications of facts and estimates that are material to the reasonable expectations of the District as of the date the Bonds are delivered and paid for. In particular, all or any officers of the District are authorized to certify to the facts and circumstances and reasonable expectations of the District on the date the Bonds are delivered and paid for regarding the amount and use of the proceeds of the Bonds. Moreover, the District covenants that it shall make such use of the proceeds of the Bonds, regulate investment of proceeds of the Bonds and take such other and further actions and follow such procedures, including, without limitation, calculating the yield on the Bonds, as may be required so that the Bonds shall not become "arbitrage bonds" under the Code and the regulations prescribed from time to time thereunder.

Annexation

The District lies wholly within the extraterritorial jurisdiction (the "ETJ") of the City. Under Texas law, certain portions of the District may be annexed by the City, pursuant to Chapter 43, Local Government Code, only if (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, or (ii) if the registered voters in the area to be annexed do not own more than fifty percent (50%) of the land in the area, a petition has been signed by more than fifty percent (50%) of the landowners consenting to the annexation. If the District is annexed, the City must assume the District's assets and obligations (including the Bonds) within ninety (90) days of the date of annexation. Annexation of property 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. The Bond Order provides for termination of the pledge of taxes to the Bonds upon annexation by a city.

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.

Strategic Partnership Agreement

The District has entered into a Strategic Partnership Agreement ("SPA") with the City whereby the tracts of land in the District projected for and containing commercial development within the City's extraterritorial jurisdiction were annexed into the City for limited purposes. The City imposes a Sales and Use Tax within the annexed tracts on the receipts from the sale and use at retail of taxable items at the rate of one percent or such other rate as may be imposed by the City from time to time. Under the SPA, one-half (or 50%) of the sales tax revenue generated by the commercial business will be paid to the District, and the District can use the sales tax revenue to: (a) accelerate the development of the water and wastewater system in the District; (b) accelerate reimbursement to developers for eligible infrastructure development; (c) lower the overall property tax rate to encourage additional development; and (d) perform other District functions that might otherwise be diminished, curtailed, abbreviated or delayed by financial limitations.

The Sales and Use Tax was implemented within the annexed areas. The Comptroller of Public Accounts of the State of Texas remits the sales tax revenues to the City and the City then disburses to the District its share of the tax revenues.

Neither the District nor any owner of taxable property in the District is liable for any present or future debts of the City and current and future ad valorem taxes levied by the City will not be levied on taxable property in the District. The Bonds are not obligations of the City, and the SPA does not obligate the City, either directly or indirectly, to pay the principal of and interest on the Bonds.

Consolidation

The District has the legal authority to consolidate with other districts, thereby consolidating its assets (such as its cash and its water and wastewater systems) and its liabilities (which would include the Bonds) with the assets and liabilities of the district or districts with which it is consolidating. No representation is made concerning the likelihood of consolidation.

Defeasance

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

are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and which mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment and/or redemption of the Bonds.

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

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

Legal Investment and Eligibility to Secure Public Funds in Texas

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

> (a) All bonds, notes, and other obligations issued by a district shall be legal and authorized investments for all banks, trust companies, building and loan associations, savings and loan associations, insurance companies of all kinds and types, fiduciaries, and trustees, and for all interest and sinking funds and other public funds of the state, and all agencies, subdivisions, and instrumentalities of the state, including all counties, cities, towns, villages, school districts, and all other kinds and types of districts, public agencies, and bodies politic.
>
> (b) A district's bonds, notes, and other obligations are eligible and lawful security for all deposits of public funds of the state, and all agencies, subdivisions, and instrumentalities of the state, including all counties, cities, towns, villages, school districts, and all other kinds and types of districts, public agencies, and bodies politic, to the extent of the market value of the bonds, notes, and other obligations when accompanied by any unmatured interest coupons attached to them.

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

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

Remedies in the Event of Default

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

Use and Distribution of Bond Proceeds

Proceeds from the sale of the Bonds will be used to finance all or a portion of the improvements and related costs shown below. Additionally, proceeds from the sale of the Bonds will be used to pay capitalized interest and other costs associated with the issuance of the Bonds.

Construction Costs	District's Share
A. Developer Contribution Items	
None	$ -
B. District Items	
1. Water Well No. 2 Rehabilitation	$ 350,000
2. Bammel Regional WWTP Improvements	585,000
3. Contingencies	374,430
4. Engineering	253,320
Total District Items	$ 1,562,750
Total Construction Costs	**$ 1,562,750**
Non-Construction Costs	
A. Legal Fees	$ 60,000
B. Fiscal Advisor Fees	40,000
C. Capitalized Interest (18 months at 5.75%)	253,750
D. Bond Discount (3.00%)	60,000
E. Bond Issuance Costs	16,500
F. Attorney General Fee (0.10%)	2,000
G. TCEQ Bond Issuance Fee (0.25%)	5,000
H. Contingency (a)	-
Total Non-Construction Costs	**$ 437,250**
TOTAL BOND ISSUE REQUIREMENT	**$ 2,000,000**

(a) The District will designate the surplus of Bond proceeds resulting from the sale of the Bonds with an amount of capitalized interest less than the estimated $253,750 as a contingency line item in the Final Official Statement. Such funds will be subject to approval pursuant to TCEQ rules on surplus funds.

In the instance that approved estimated amounts exceed the actual costs, the difference comprises a surplus which may be expended for approved uses in accordance with the rules of the TCEQ. In the instance that actual costs exceed previously approved estimated amounts and contingencies, additional TCEQ approval and the issuance of additional bonds may be required. The Engineer has advised the District that the proceeds of the sale of the Bonds should be sufficient to pay the cost of the above-described projects; however the District cannot and does not guarantee the sufficiency of such bonds for such purpose.

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THE DISTRICT

Authority

The District was created by an order of the Texas Water Rights Commission, predecessor of the TCEQ on January 30, 1973. The District is vested with all rights, power, privileges, authority, and functions conferred by the general laws of the State of Texas pertaining to municipal utility districts, including without limitation those conferred by Chapters 49 and 54, Texas Water Code, as amended, and Article XVI, Section 59 of the Texas Constitution. The District is subject to the continuing supervision of the TCEQ.

At creation, the District encompassed approximated 221 acres. On September 17, 1976, the District annexed approximately 78 acres. The District currently encompasses approximately 300 acres.

The District operates under Chapters 49 and 54 of the Texas Water Code, as amended, and other general laws of the State of Texas applicable to municipal utility districts and is empowered, among other things, to purchase, construct, operate, and maintain all works, improvements, facilities, and plants necessary for the supply of water; the collection, transportation, and treatment of wastewater; and the control and diversion of storm water.

Location

The District is located approximately 24 miles northwest of the City central business district, approximately 4 miles west of Interstate Highway 45 (IH-45), approximately 1 mile north of Farm to Market Road 1960 (FM 1960) and is entirely within the ETJ of the City and within the boundaries of the Spring Independent School District.

Management of the District

The District is governed by the Board, consisting of five directors, which has control over and management supervision of all affairs of the District. All of the Directors own property in the District. The directors serve four-year staggered terms. Elections are held in even-numbered years. The current members and officers of the Board are listed below:

Name	Position	Term Expires May
Rolf Flemming	President	2028
Tom Sooy	Vice President	2030
Darrin Harvey	Secretary	2030
Harry Swanstrom	Assistant Secretary	2028
Edmond B. Bentley	Treasurer	2030

Investment Policy

The District has adopted an Investment Policy (the "Investment Policy") as required by the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act"). The District's goal is to preserve principal and maintain liquidity in a diversified portfolio while securing a competitive yield on its portfolio. Funds of the District are to be invested only in accordance with the Investment Policy. The Investment Policy states that the funds of the District may be invested in short term obligations of the U.S. or its agencies or instrumentalities, in certificates of deposits insured by the Federal Deposit Insurance Corporation and secured by collateral authorized by the Act, and in TexPool and TexStar, which are 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 portfolio.

Consultants

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

Tax Assessor/Collector: The tax assessor/collector for the District is Equi-Tax, Inc. (the "Tax Assessor/Collector").

Bookkeeper: The District's bookkeeper is ETI Bookkeeping Services.

Auditor: As required by the Texas Water Code, the District retains an independent auditor to audit the District's financial statements annually, which annual audit is filed with the TCEQ. Mark C. Eyring, CPA, PLLC performed the audit of the District's financial statements for the fiscal year ended July 31, 2025. See "APPENDIX A."

Engineer: The District's engineer is Langford Engineering, Inc. (the "Engineer").

Bond Counsel: The District has engaged Sanford Kuhl Hagan Kugle Parker Kahn LLP, Houston, Texas, as general counsel to the District and as bond counsel ("Bond Counsel") in connection with the issuance of the Bonds. The fees to be paid Bond Counsel in connection with the issuance of the Bonds are contingent upon the sale and delivery of the Bonds. See "LEGAL MATTERS."

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

Financial Advisor: Cedar Creek Municipal Advisors, LLC is engaged as financial advisor to the District in connection with the issuance of the Bonds (the "Financial Advisor"). The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information in this Official Statement.

DEVELOPMENT OF THE DISTRICT

Development within the District

To date, approximately 257 acres have been developed for 738 single-family residential homes and approximately 19 acres for commercial use. The remainder of the land within the District includes approximately 24 undevelopable acres. Commercial businesses within the District include a variety of commercial developments ranging from restaurants, health and beauty stores, convenience stores, medical offices, and child care facilities.

Retail Shopping Development: The largest of the two strip shopping centers includes restaurants (Pier 77 of Houston, Cajun Fuze, and Wok & Roll), health and beauty stores (Dance Studio, Well Deserved Wellness, NJ Nails & Spa) and Omni Liquor. The second strip shopping center includes E-Z Food Store, All Seasons Nails, Cornerstone Victory Christian Center, and El Ta-Cotorro Norteno.

Commercial Office: The District includes medical offices such as Winnie King, MD Aesthetics and Wellness, Believe Dental North Houston, Special Smiles, and Childcare Services like Americas Angels.

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THE UTILITY SYSTEM

Regulation

According to the Engineer, the Utility System has been designed in accordance with accepted engineering practices and recommendations and is subject to the inspection of Harris County Public Infrastructure Department, Harris County Flood Control District ("HCFCD"), Texas Department of Health, and the TCEQ. According to the Engineer, the design of all such facilities has been approved by all required governmental agencies and inspected by the TCEQ. As such facilities were and are completed, they have been, and will be, conveyed to the District, which is responsible for the operation and maintenance of all water and wastewater facilities serving the District. Drainage is the primary responsibility of the HCFCD and/or the homeowners association located within the District.

Operation of the Utility System is subject to regulation by, among others, the Harris County Health Department and the TCEQ. In many cases, regulations promulgated by these agencies have become effective only recently and are subject to further development and revisions.

The District is within the Harris-Galveston Subsidence District (the "Subsidence District"), which regulates the withdrawal of groundwater within its jurisdiction. The District's authority to pump groundwater from its well is subject to annual permits issued by the Subsidence District. The Subsidence District has ordered certain areas within its boundaries to convert most of their water supply to surface water under various schedules and has published a timetable that would require the District to restrict the withdrawal of groundwater and to develop a plan for the conversion to surface water. The District is included in the North Harris County Regional Water Authority (the "NHCRWA") and is part of the NHCRWA's Groundwater Reduction Plan to convert to surface water in accordance with the Subsidence District's conversion mandate. In January of 2010, NHCRWA implemented Phase 1 of its surface water conversion plan. The issuance of additional bonds by the District in the future in an undetermined amount may be necessary to meet the District's obligation to the NHCRWA.

Water Supply

As mentioned, approximately 70% of the District's water supply has been surface water furnished by the NHCRWA. The remaining 30% is furnished by the District's water supply system which consists of one water well with a total capacity of 1,309 gallons per minute ("gpm") each, one 20,000 gallon hydropneumatics (pressure) tank and four booster pumps with a total capacity of 2,800 gpm. A portion of the Bond proceeds will be used to replace ground storage tank No. 1 and No. 2 and to replace water well No. 2's motor, column assembly and pump. According to the Engineer, the existing water plant is capable of serving approximately 1,000 equivalent single-family connections ("esfc") which is sufficient to serve the 767 existing equivalent connections.

The District has an interconnect with four (4) utility districts, including Bammel Utility District, Harris County Municipal Utility District No. 16, Harris County Municipal Utility District No. 211, and Northwest Harris County Municipal Utility District No. 20.

Wastewater Treatment

The District participates in a regional facility called the Bammel Regional Wastewater Treatment Plant, which is operated by Bammel Utility District. The District owned 300,000 gallon per day ("GPD") of wastewater treatment capacity in the 2.0 million gallons per day ("MGD") facility. Per the First Amendment to the Contract for Joint Sewage Treatment Plant between the District and Bammel Utility District (dated October 18, 2019), the total treatment capacity was re-rated from 2,000,000 GPD to 1,500,000 GPD. Therefore, the District currently owns 225,000 GPD of wastewater treatment capacity in the 1.5 MGD facility Storm Water Drainage.

A portion of the Bond proceeds will be used for improvements to the Bammel Regional Wastewater Treatment Plant.

100-Year Flood Plain

Approximately 35.371 acres of land within the District is located within the 100-year floodplain, approximately 17.940 acres of land within the District is located within the 500-year floodplain and approximately 13.362 acres of land within the District is located within the Zone AE. All of this land has been developed and there are no future plans to remove the land from the floodplain.

Storm Water

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

General Fund Operating Statement

The following is a summary of the District's general fund activity. The summary has been prepared by the Financial Advisor based upon information obtained from the District's audited financial statements for the fiscal years ending in July 31 in the years 2021-2025. Reference is made to such statements for further and more complete information. See "APPENDIX A."

Revenues	07/31/2025	07/31/2024	07/31/2023	07/31/2022	07/31/2021
Property Taxes	$ 473,608	$ 505,782	$ 465,613	$ 431,786	$ 415,754
Water Service	217,081	209,793	178,309	173,043	170,564
Sewer Service	408,959	418,828	380,440	373,045	373,465
Surface Water Fees	286,230	419,293	448,221	440,885	432,097
Sales and Use Taxes	11,622	8,944	7,623	13,368	12,344
Penalty	27,509	42,394	33,461	25,778	23,001
Interest on surface water chloramine costs	10,849	11,234	11,596	11,937	12,256
Interest on prepaid surface water capital contributions	57,087	60,011	62,788	65,422	67,923
Interest on deposit and investments	201,387	143,133	121,789	11,679	11,039
Other revenue	32,561	22,598	9,123	8,380	10,776
Total Revenues	$ 1,726,893	$ 1,842,010	$1,718,963	$1,555,323	$1,529,219
Expenditures					
Purchased Sewer Services	$ 151,649	$ 172,287	$ 128,407	$ 123,823	$ 145,410
Professional fees	94,628	99,331	81,188	72,849	71,132
Contracted Services	142,517	161,773	135,690	131,433	113,547
Utilities	30,671	28,111	19,334	24,341	20,156
Surface Water fees	278,454	377,442	393,196	420,657	400,743
Repairs, maintenance, & other operating Expenditures	211,855	144,169	201,372	174,995	251,014
Garbage disposal	191,691	191,975	187,266	178,375	178,358
Administrative Expenditures	84,867	64,522	64,380	48,729	46,884
Capital Outlay	56,451	18,899	1,232,549 (a)	126,995	233,382
Total Expenditures	$ 1,242,783	$ 1,258,509	$2,443,382	$1,302,197	$1,460,626
Revenues Over (Under) Expenditures	$ 484,110	$ 583,501	$(724,419)	$ 253,126	$ 68,593

(a) Represents capital improvements to the water system, sewer system, and the Bammel Wastewater Treatment Plant.

DISTRICT DEBT

General

2026 Taxable Assessed Valuation	$ 230,219,249	(a)
Direct Debt:		
The Bonds	$ 2,000,000	
The Outstanding Bonds	$ 2,860,000	
Total	$ 4,860,000	
Estimated Overlapping Debt	$ 16,848,060	(b)
Total Direct and Estimated Overlapping Debt	$ 21,708,060	(b)
Direct Debt Ratio:		
As a Percentage of the 2026 Taxable Assessed Valuation	2.11 %	
Direct and Estimated Overlapping Debt Ratio:		
As a Percentage of the 2026 Taxable Assessed Valuation	9.43 %	
Debt Service Fund Balance (as of October 13, 2026)	$ 121,165	(c)
Operating Fund Balance (as of October 13, 2026)	$ 4,927,961	
Capital Projects Fund Balance (as of October 13, 2026)	$ 86,640	
2026 Tax Rate		
Utility Debt Service Fund	$ 0.145	
Maintenance and Operations	$ 0.175	
Total	$ 0.320	
Combined Estimated Average Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2027–2051)	$ 324,302	(d)
Combined Estimated Maximum Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2049)	$ 349,769	(d)
Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay the Combined Estimated Average Annual Debt Service Requirements on the Outstanding Bonds and the Bonds (2027–2051) Based on the 2026 Taxable Assessed Valuation at 95% Tax Collections	$ 0.15	
Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay the Combined Estimated Maximum Annual Debt Service Requirements on the Outstanding Bonds and the Bonds (2049) Based on the 2026 Taxable Assessed Valuation at 95% Tax Collections	$ 0.16	

(a) Represents the assessed valuation of all taxable property in the District as of January 1, 2026, as provided by the Appraisal District. Such amount includes $7,702,616 of uncertified value, which represents 80% of the value currently under review by the Appraisal District. See "TAX DATA" and "TAXING PROCEDURES."

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

(c) In addition to this amount, eighteen (18) months of capitalized interest will be deposited into the District's Debt Service Fund upon closing of the Bonds. Neither Texas law nor the Bond Order requires that the District maintain any particular sum in the Debt Service Fund.

(d) Debt service on the Bonds is estimated based on an interest rate of 5.50%. See "DISTRICT DEBT – Estimated Debt Service Requirement Schedule."

Estimated Debt Service Requirement Schedule

The following schedule sets forth the debt service requirements on the principal and estimated interest requirements on the Bonds and the Outstanding Bonds, assuming an interest rate of 5.50%.

Calendar Year	Outstanding Debt Service	Plus: The Bonds			Total Debt Service
		Principal	Interest	Debt Service	
2027	$ 188,050	$ 65,000	$ 80,056	$ 145,056	$ 333,106
2028	185,050	40,000	106,425	146,425	331,475
2029	187,050	45,000	104,225	149,225	336,275
2030	188,850	45,000	101,750	146,750	335,600
2031	190,450	50,000	99,275	149,275	339,725
2032	186,850	50,000	96,525	146,525	333,375
2033	188,250	55,000	93,775	148,775	337,025
2034	189,450	55,000	90,750	145,750	335,200
2035	190,450	60,000	87,725	147,725	338,175
2036	191,250	65,000	84,425	149,425	340,675
2037	192,400	65,000	80,850	145,850	338,250
2038	193,231	70,000	77,275	147,275	340,506
2039	193,731	75,000	73,425	148,425	342,156
2040	194,044	80,000	69,300	149,300	343,344
2041	193,844	80,000	64,900	144,900	338,744
2042	193,444	85,000	60,500	145,500	338,944
2043	197,844	90,000	55,825	145,825	343,669
2044	196,844	95,000	50,875	145,875	342,719
2045	195,644	100,000	45,650	145,650	341,294
2046	199,244	105,000	40,150	145,150	344,394
2047	197,444	110,000	34,375	144,375	341,819
2048	200,444	120,000	28,325	148,325	348,769
2049	203,044	125,000	21,725	146,725	349,769
2050	–	130,000	14,850	144,850	144,850
2051	–	140,000	7,700	147,700	147,700
Total (a)	$ 4,436,900	$ 2,000,000	$ 1,670,656	$ 3,670,656	$ 8,107,556

(a) Totals may not sum due to rounding.

Combined Estimated Average Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2027–2051) ..... $ 324,302

Combined Estimated Maximum Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2049) ..... $ 349,769

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Direct and Estimated Overlapping Debt Statement

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

	Outstanding Debt	Overlapping Debt	
Taxing Jurisdiction	September 30, 2026	Percent	Amount
Harris County	$ 2,952,415,112	0.03%	$ 944,938
Harris County Flood Control District	1,001,580,000	0.03%	327,440
Harris County Hospital District	1,644,825,000	0.03%	537,654
Harris County Department of Education	28,960,000	0.03%	9,263
Port of Houston Authority	386,074,397	0.03%	126,228
Harris County Emergency Service District No. 11	-	0.00%	-
Harris County Emergency Service District No. 16	-	0.00%	-
Lone Star College System	336,455,000	0.06%	217,030
Spring Independent School District	1,250,540,000	1.17%	14,685,506
Total Estimated Overlapping Debt			$ 16,848,060
Direct Debt (a)			$ 4,860,000
Total Direct and Estimated Overlapping Debt (b)			$ 21,708,060

(a) The Bonds and the Outstanding Bonds.
(b) Includes the Bonds and the Outstanding Bonds.

Debt Ratios

Ratio of Direct Debt (a):	
As a Percentage of the 2026 Taxable Assessed Valuation	2.11 %
Ratio of Direct and Estimated Overlapping Debt (a):	
As a Percentage of the 2026 Taxable Assessed Valuation	9.43 %

(a) Includes the Bonds and the Outstanding Bonds.

TAXING PROCEDURES

Authority to Levy Taxes

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

Property Tax Code and County-Wide Appraisal District

The Texas Property Tax Code (the "Property Tax Code") specifies the taxing procedures of all political subdivisions of the State of Texas, including the District. Provisions of the Property Tax Code are complex and are not fully summarized herein. The Property Tax Code requires, among other matters, county-wide appraisal and equalization of taxable property values and establishes in each county of 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 Harris Central Appraisal District (the "Appraisal District"). The Appraisal District has the responsibility of appraising property for all taxing units within Harris County, including the District. Such appraisal values will be subject to review and change by the Harris County Appraisal Review Board (the "Appraisal Review Board"). The appraisal roll, as approved by the Appraisal Review Board, will be used by the District in establishing its tax rolls and tax rate.

Property Subject to Taxation by the District

General: Except for certain exemptions provided by Texas law, all real property, tangible personal property held or used for the production of income, mobile homes, and certain categories of intangible personal property with a tax situs in the District are subject to taxation by the District. Principal categories of exempt property include, but are not limited to: property owned by Texas or its political subdivisions, if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies and personal effects; certain goods, wares, and merchandise in transit; certain farm products owned by the producer; certain property of charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; and most individually-owned automobiles. In addition, the District may by its own action exempt residential homesteads of persons 65 years or older and certain disabled persons, to the extent deemed advisable by the Board of the District. The District may be required to offer such exemptions if a majority of voters approve same at an election, which the District would be required to call upon petition by twenty percent (20%) of the number of qualified voters who voted in the preceding election. The District is authorized by statute to disregard exemptions for the disabled and elderly if granting the exemption would impair the District's obligation to pay tax supported debt incurred prior to adoption of the exemption by the District. For the 2026 tax year, the District granted a $10,000 exemption to residents 65 years of age or older and to certain other disabled persons. Furthermore, the District must grant exemptions to disabled veterans or the surviving spouse or children of a deceased veteran who died while on active duty in the armed forces, if requested, but only to the maximum extent of between $5,000 and $12,000 depending upon the disability rating of the veteran claiming the exemption. A veteran who receives a disability rating of 100% is entitled to an exemption for the full value of the veteran's residence homestead. Furthermore, qualifying surviving spouses of persons 65 years of age and older are entitled to receive a resident homestead exemption equal to the exemption received by the deceased spouse. Additionally, subject to certain conditions, the surviving spouse of a disabled veteran who is entitled to an exemption for the full value of the veteran's residence homestead is also entitled to an exemption from taxation of the 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 at no cost to the veteran. This exemption also applies to a residence homestead that was donated by a charitable organization at some cost to such veterans. The surviving spouse of a member of the armed forces who was killed in action is, subject to certain conditions, entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse.

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

***Residential Homestead Exemptions**:* The Property Tax Code authorizes the governing body of each political subdivision in 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 District has never adopted a general homestead exemption.

Freeport Goods and Goods-in-Transit Exemption: Freeport goods are goods, wares, merchandise, other tangible personal property and ores, other than oil, natural gas and other petroleum products, which have been acquired or brought into the state for assembling, storing, manufacturing, repair, maintenance, processing or fabricating purposes, or used to repair or maintain aircraft of a certified air carrier, and shipped out of the state within one hundred seventy-five (175) days. Freeport goods are exempt from taxation by the District. Article VIII, Section 1-n of the Texas Constitution provides for the exemption from taxation of "goods-in-transit." "Goods-in-transit" is defined by a provision of the Tax Code, which is effective for tax year 2011 and prior applicable years, as personal property acquired or imported into Texas and transported to another location in the State or outside the State within one hundred seventy-five (175) days of the date the property was acquired or imported into Texas. The exemption excludes oil, natural gas, petroleum products, aircraft and special inventory. For tax year 2012 and subsequent years, such Goods-in-Transit Exemption is limited to tangible personal property acquired in or imported into Texas for storage purposes and which is stored under a contract of bailment by a public warehouse operator at one or more warehouse facilities in Texas that are not in any way owned or controlled by the owner of such property for the account of the person who acquired or imported such property. The Tax Code provision permits local governmental entities, on a local option basis, to take official action by January 1 of the year preceding a tax year, after holding a public hearing, to tax goods-in-transit during the following tax year. The District has taken action to tax Goods-in-Transit. A taxpayer may receive only one of the Freeport exemptions or the goods-in-transit exemptions for items of personal property.

Tax Abatement

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

Valuation of Property for Taxation

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

The Property Tax Code requires the Appraisal District to implement a plan for periodic reappraisal of property to update appraisal values. The plan must provide for appraisal of all property in the Appraisal District at least once every three years. It is not known what frequency of reappraisals will be utilized by the Appraisal District or whether reappraisals will be conducted on a zone or county-wide basis. The 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 to formally include such values on its appraisal roll.

Tax Exemption for Property Damaged by Disaster

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.

Tax Payment Installments

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.

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

The Effect of FIRREA on Tax Collections of the District

The Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA") contains certain provisions which affect the time for protesting property valuations, the fixing of tax liens and the collection of penalties and interest on delinquent taxes on real property owned by the Federal Deposit Insurance Corporation ("FDIC") when the FDIC is acting as the conservator or receiver of an insolvent financial institution. Under FIRREA, real property held by the FDIC is still subject to ad valorem taxation, but such act states (i) that no real property of the FDIC shall be subject to foreclosure or sale without the consent of the FDIC and no involuntary liens shall attach to such property, (ii) the FDIC shall not be liable for any penalties, interest, or fines, including those arising from the failure to pay any real or personal property tax when due, and (iii) notwithstanding failure of a person to challenge an appraisal in accordance with state law, such value shall be determined as of the period for which such tax is imposed. To the extent that the FDIC attempts to enforce the same, these provisions may affect the timeliness of collection of taxes on property, if any, owned by the FDIC in the District and may prevent the collection of penalties and interest on such taxes or may affect the valuation of such property.

District and Taxpayer Remedies

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

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

Levy and Collection of Taxes

The District is responsible for the levy and collection of its taxes unless it elects to transfer such functions to another governmental entity. The rate of taxation is set by the Board, after the legally required notice has been given to owners of property within the District, based upon: a) the valuation of property within the District as of the preceding January 1, and b) the amount required to be raised for debt service, maintenance and operation purposes and authorized contractual obligations. Taxes are due June 1, or when billed, whichever comes later, and become delinquent if not paid before October 1 of the year following the year in which imposed. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%) regardless of the number of months the tax has been delinquent and incurs an additional twenty percent (20%) penalty for collection costs. A delinquent tax on personal property incurs an additional twenty percent (20%) penalty, 60 days after the date the taxes become delinquent (December 1). For those taxes billed at a later date and that become delinquent on or after June 1, they will also incur an additional penalty for collection costs of an amount established by the District and a delinquent tax attorney. The delinquent tax accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code makes provisions for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes under certain circumstances which, at the option of the District, may be rejected.

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) 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.

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

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 are 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, are required to hold a rollback 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 Tax Code, are required to hold an election within the district to determine whether to approve the adopted total tax rate. If the adopted total tax rate is not approved at the election, the total tax rate for a Developed District is the current year's debt service and contract tax rate plus 1.035 times the previous year's operation and maintenance tax rate plus any unused increment rates. In addition, if any part of a Developed District lies within an area declared for disaster by the Governor of Texas or President of the United States, alternative procedures and rate limitations may apply for a temporary period. If a district qualifies as both a Special Taxing Unit and a Developed District, the district will be subject to the operation and maintenance tax threshold applicable to Special Taxing Units.

Developing Districts

Districts that do not meet the classification of a Low Tax Rate District or a Developed District are 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 a rollback election is called and passes, the total tax rate for Developing Districts is the current year's debt service and contract tax rate plus 1.08 times the previous year's operation and maintenance tax rate.

The District

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

District's Rights in the Event of Tax Delinquencies

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

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

TAX DATA

General

All taxable property within the District is subject to the assessment, levy, and collection by the District of a continuing direct annual ad valorem tax without legal limitation as to rate or amount, sufficient to pay principal of and interest on the Bonds. See "TAXING PROCEDURES." In the Bond Order, the Board covenants to assess and levy, for each year that all or any part of the Bonds remain outstanding and unpaid, a tax ample and sufficient to produce funds to pay the principal of and interest on the Bonds. See "THE BONDS" and "INVESTMENT CONSIDERATIONS." The District has levied a total tax rate of $0.32 for the 2026 tax year.

Tax Rate Limitation

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

Debt Service Tax

The Board covenants in the Bond Order to levy and assess, for each year that all or any part of the Bonds remain outstanding and unpaid, a tax adequate to provide funds to pay the principal and interest on the Bonds. The District has levied a tax rate of $0.145 for Utility System debt service purposes for the 2026 tax year.

Maintenance and Operation Taxes

The Board has the statutory authority to levy and collect an annual ad valorem tax for maintenance and operations of the District's improvements if such maintenance and operations tax is authorized by vote of the District's electors. The Board is authorized by the District's voters to levy such maintenance and operations tax in an amount not to exceed $0.25 per $100 of assessed valuation. Such tax, when levied, is in addition to taxes which the District is authorized to levy for paying principal of and interest on the Bonds and any parity bonds which may be issued in the future. The District levied a maintenance and operations tax rate of $0.175 for the 2026 tax year. See "Tax Rate Distribution."

Tax Exemption

As discussed in the section entitled "TAXING PROCEDURES," certain property in the District may be exempt from taxation by the District. For the 2026 tax year, the District granted a $10,000 exemption to persons 65 years of age or older and to certain other disabled persons.

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Historical Tax Collections

The following table illustrates the collection history of the District for the 2022–2026 tax years:

Tax Year	Certified Taxable Value	Tax Rate	Adjusted Tax Levy	Collections Current Year	Current Year Ending 7/31	Collections 09/30/2026
2022	$ 205,299,720	$ 0.230	$ 472,189	99.00%	2023	99.50%
2023	223,309,201	0.220	491,280	98.60%	2024	99.00%
2024	239,143,673	0.280	669,602	96.00%	2025	98.20%
2025	238,848,624	0.280	668,776	96.10%	2026	96.10%
2026	222,516,633 (b)	0.320	712,053	(a)	2027	(a)

(a) In process of collections.
(b) Does not include the $7,702,616 of uncertified value under review by the Appraisal District.

Tax Rate Distribution

The following table sets out the components of the District's tax levy for the 2022–2026 tax years.

	2026	2025	2024	2023	2022
Utility Debt Service	$0.145	$0.080	$0.080	$-	$-
Maintenance & Operations	0.175	0.200	0.200	0.220	0.230
Total	$0.320	$0.280	$0.280	$0.220	$0.230

Analysis of Tax Base

The following represents the types of property comprising the District's taxable assessed valuation as of January 1 for the 2022–2026 tax years.

Type of Property	2026 Taxable Assessed Valuation	2025 Taxable Assessed Valuation	2024 Taxable Assessed Valuation	2023 Taxable Assessed Valuation	2022 Taxable Assessed Valuation
Land	$ 52,780,371	$ 55,057,781	$ 55,227,350	$ 55,062,079	$ 40,282,790
Improvements	177,831,222	190,084,257	196,080,851	191,127,787	189,476,015
Personal Property	6,578,986	6,460,457	5,846,499	5,620,208	5,177,513
Exemptions	(14,673,946)	(12,753,871)	(18,011,027)	(28,500,873)	(29,636,598)
Total	$ 222,516,633 (a)	$ 238,848,624	$ 239,143,673	$ 223,309,201	$ 205,299,720

(a) Does not include the $7,702,616 of uncertified value under review by the Appraisal District.

Principal Taxpayers

The following represents the principal taxpayers, type of property and their taxable assessed valuations as of January 1, 2026:

Taxpayer	Type of Property	2026 Tax Roll Assessed Valuation	Percent of 2026 Assessed Valuation
Homeowner	Land & Improvements	$ 2,926,112	1.32%
Homeowner	Land & Improvements	2,751,581	1.24%
JN Entreprises Group LLC ET AL	Land & Improvements	2,214,796	1.00%
Olde Oaks Atrium LLC	Land & Improvements	1,921,129	0.86%
SRP SUB LLC	Land & Improvements	1,088,771	0.49%
Houston Holdings LLC	Land & Improvements	967,260	0.43%
Centerpoint Energy HOU ELE	Land & Improvements	961,690	0.43%
Helmos Inc.	Land & Improvements	960,000	0.43%
Riverstone Property Group LLC	Land & Improvements	864,356	0.39%
Homeowner	Land & Improvements	844,545	0.38%
Total		$ 15,500,240	6.97%

Tax Rate Calculations

The tax rate calculations set forth below are presented to indicate the tax rates per $100 of taxable assessed valuation that would be required to meet certain debt service requirements on the Bonds if no growth in the District's tax base occurs beyond the District's taxable assessed valuation as of January 1, 2026 ($230,219,249). The calculations assume collection of 95% of taxes levied and the sale of the Bonds but not the sale of any additional bonds by the District.

Combined Estimated Average Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2027–2051)	$ 324,302
Debt Service Tax Rate of $0.15 on the 2026 Taxable Assessed Valuation Produces	$ 328,062
Combined Estimated Maximum Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2049)	$ 349,769
Debt Service Tax Rate of $0.16 on the 2026 Taxable Assessed Valuation Produces	$ 349,933

Estimated Overlapping Taxes

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

Set forth below is an estimation of all 2026 taxes per $100 of assessed valuation levied by such jurisdictions. No recognition is given to local assessments for civic association dues, emergency medical service contributions, fire department contributions or any other charges made by entities other than political subdivisions. No prediction can be made of the tax rates that will be levied in future years by the respective taxing jurisdictions.

Taxing Jurisdiction	2026 Tax Rate
The District	$0.320000
Harris County	0.417500
Harris County Flood Control District	0.052660
Harris County Hospital District	0.195280
Harris County Department of Education	0.004797
Port of Houston Authority	0.006030
Harris County Emergency Service District No. 11	0.039072
Harris County Emergency Service District No. 16	0.061200
Lone Star College System	0.105800
Spring Independent School District	1.156900
Total Overlapping Tax Rate	$ 2.359239

INVESTMENT CONSIDERATIONS

General

The Bonds, which are obligations of the District and not of the State of Texas; the County; the City; or any entity other than the District, will be secured by a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property located within the District. Therefore, the ultimate security for payment of the principal of and interest on the Bonds depends upon the ability of the District to collect from the property owners within the District the taxes levied against all taxable property located within the District, or, in the event such taxes are not collected and foreclosure proceedings are instituted by the District, upon the value of the taxable property with respect to taxes levied by the District and by other taxing authorities. The District makes no representations that over the life of the Bonds the property within the District will maintain a value sufficient to justify continued payment of taxes by the property owners. The potential increase in taxable valuation of District property is directly related to the economics of the residential housing industry, not only due to general economic conditions, but also due to the particular factors discussed below. See "DEVELOPMENT OF THE DISTRICT," "TAX DATA" and "TAXING PROCEDURES."

Factors Affecting Taxable Values and Tax Payments

Dependence on Principal Taxpayers: The ability of any principal landowner to make full and timely payments of taxes levied against its property by the District and similar taxing authorities will directly affect the District's ability to meet its debt-service obligations. As illustrated in this Official Statement under the caption "TAX DATA – Principal Taxpayers," as of January 1, 2026, the District's top ten principal taxpayers, owned property located within the District the aggregate taxable assessed valuation of which comprised approximately 6.97% of the District's total assessed valuation.

In the event that any principal taxpayer, or any combination of taxpayers, should default in the payment of taxes in an amount which exceeds the District's debt service fund surplus, the ability of the District to make timely payment of debt service on the Bonds will be dependent on its ability to enforce and liquidate its tax liens, which is a time-consuming process. Failure to recover or borrow funds in a timely fashion could result in an excessive District tax rate. The District is not required by law or the Bond Order to maintain any specified amount of surplus in its interest and sinking fund. See "TAX DATA – Principal Taxpayers" and "TAXING PROCEDURES – Levy and Collection of Taxes."

Maximum Impact on District Tax Rates: Assuming no further development or home construction, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of property owners to pay their taxes. The taxable assessed valuation as of January 1, 2026, of all taxable property located within the District is $230,219,249. See "DISTRICT DEBT."

After issuance of the Bonds, the combined estimated maximum annual debt service requirement on the Outstanding Bonds and the Bonds (2049) will be $349,769 and the combined estimated average annual debt service requirement on the Outstanding Bonds and the Bonds (2027–2051) will be $324,302. Assuming no decrease to the District's taxable assessed valuation as of January 1, 2026, tax rates of $0.16 and $0.15 per $100 of taxable assessed valuation at a 95% tax collection rate would be necessary to pay the combined estimated maximum annual debt service requirement on the Outstanding Bonds and the Bonds and the combined estimated average annual debt service requirement on the Outstanding Bonds and the Bonds, respectively. The District can make no representation that the taxable property values in the District will increase in the future or will maintain a value sufficient to support the proposed District tax rate or to justify continued payment of taxes by property owners. For the 2026 tax year, The District has levied a total tax rate of $0.32 comprised of $0.145 for utility debt service and $0.175 for maintenance and operations. See "DISTRICT DEBT" and "TAX DATA."

Potential Effects of Oil Price Fluctuations on the Houston Area

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

Severe Weather and Potential Impact of Natural Disaster

The District is located approximately 70 miles from the Texas Gulf Coast. Land located in this area is susceptible to high winds, heavy rain and flooding caused by hurricanes, tropical storms, and other tropical disturbances. Further, the District could be impacted by a natural disaster such as wide-spread fires, earthquakes, or weather events such as tornados, freezes or other severe weather events that could produce high winds, heavy rains, hail, and flooding. In the event that a natural disaster should damage or destroy improvements and personal property in the District, the assessed value of such taxable properties could be substantially reduced, resulting in a decrease in the taxable assessed value of the District or an increase in the District's tax rates. See "TAXING PROCEDURES."

There can be no assurance that a casualty loss to taxable property within the District will be covered by insurance (or that property owners will even carry flood insurance), that any insurance company will fulfill its obligation to provide insurance proceeds, or that insurance proceeds will be used to rebuild or repair any damaged improvements within the District. Even if insurance proceeds are available and improvements are rebuilt, there could be a lengthy period in which assessed values within the District would be adversely affected.

The greater Houston area has experienced four storms exceeding a 0.2% probability (i.e., "500-year flood" events) since 2015. If the District were to sustain damage to its facilities as a result of such a storm (or any other severe weather event) requiring substantial repair or replacement, or if substantial damage to taxable property within the District were to occur as a result of a severe weather event, the investment security of the Bonds could be adversely affected.

Specific Flood Type Risks

The District may be subject to the following flood risks:

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

Riverine (or Fluvial) Flood. Riverine, or fluvial, flooding occurs when water levels rise over the top of river, bayou or channel banks due to excessive rain from tropical systems making landfall and/or persistent thunderstorms over the same area for extended periods of time. The damage from a riverine flood can be widespread. The overflow can affect smaller rivers and streams downstream, or may sheet-flow over land. Flash flooding is a type of riverine flood that is characterized by an

intense, high velocity torrent of water that occurs in an existing river channel with little to no notice. Flash flooding can also occur even if no rain has fallen, for instance, after a levee, dam or reservoir has failed or experienced an uncontrolled release, or after a sudden release of water by a debris or ice jam. In addition, planned or unplanned controlled releases from a dam, levee or reservoir also may result in flooding in areas adjacent to rivers, bayous or drainage systems downstream.

Harris County and City of Houston Floodplain Regulations

As a direct result of Hurricane Harvey, the County and the City adopted new rules and amended existing regulations relating to minimizing the potential impact of new development on drainage and mitigating flooding risks. The new and amended Harris County regulations took effect January 1, 2018, and the new and amended City of Houston regulations took effect September 1, 2018.

The Harris County floodplain regulations govern construction projects in unincorporated Harris County and include regulations governing the elevation of structures in the 100-year and 500-year floodplains. Additionally, the Harris County regulations govern the minimum finished floor elevations as well as specific foundation construction requirements and windstorm construction requirements for properties located both above and below the 100-year flood elevation.

The City of Houston floodplain regulations govern construction projects in the corporate jurisdiction of the City and include regulations governing the elevation of structures in the 100-year and 500-year floodplains and the elevation of residential additions greater than one-third the footprint of the existing structure and non-residential additions. Additionally, the City of Houston regulations require an improved structure whose new market value exceeds 50% of the market value of the structure prior to the start of improvements to meet the new and amended City of Houston regulations.

The new and amended Harris County and City of Houston regulations may have a negative impact on new development in and around the District as well as on the rehabilitation of existing homes impacted by flooding or other natural disasters.

Tax Collections Limitations

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

Registered Owners' Remedies

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

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

statute reasonably required to attain an important public purpose or by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions, such as the District.

Bankruptcy Limitation to Registered Owners' Rights

The enforceability of the rights and remedies of Registered Owners of the Bonds may be limited by laws relating to bankruptcy, reorganization, or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. Subject to the requirements of Texas law discussed below, a political subdivision such as the District may voluntarily file a petition for relief from creditors under Chapter 9 of the U.S. Bankruptcy Code, 11 USC sections 901-946. The filing of such petition would automatically stay the enforcement of Registered Owners' remedies, including mandamus and the foreclosure of tax liens upon property within the District discussed above. The automatic stay would remain in effect until the federal bankruptcy judge hearing the case dismisses the petition, enters an order granting relief from the stay or otherwise allows creditors to proceed against the petitioning political subdivision. A political subdivision, such as the District, may qualify as a debtor eligible to proceed in a Chapter 9 case only if it (1) is generally authorized to file for federal bankruptcy protection by applicable state law, (2) is insolvent or unable to meet its debts as they mature, (3) desires to effect a plan to adjust such debts, and (4) has either obtained the agreement of or has negotiated in good faith with its creditors or is unable to negotiate with its creditors because negotiations are impracticable. Under Texas law, a municipal utility district, such as the District, must obtain the approval of the TCEQ as a condition to seeking relief under the U.S. Bankruptcy Code. The TCEQ is required to investigate the financial condition of a financially troubled district and authorize such district to proceed under federal bankruptcy law only if such district has fully exercised its rights and powers under Texas law and remains unable to meet its debts and other obligations as they mature.

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

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

A municipal utility district cannot be placed into bankruptcy involuntarily.

Marketability

The District has no understanding with the initial purchaser of the Bonds (the "Initial Purchaser") regarding the reoffering yields or prices of the Bonds and has no control over trading of the Bonds in the secondary market. Moreover, there is no assurance that a secondary market will be made in the Bonds. If there is a secondary market, the difference between the bid and asked price for 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. See "SALE AND DISTRIBUTION OF THE BONDS."

Cybersecurity

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

Approval of the Bonds

As required by law, engineering plans, specifications, and estimates of construction costs for the facilities and services to be purchased or constructed by the District with the proceeds of the Bonds have been approved, subject to certain conditions, by the TCEQ. In addition, the Attorney General of Texas must approve the legality of the Bonds prior to delivery. Neither the TCEQ nor the Attorney General of Texas passes upon or guarantees the safety of the Bonds as an investment, nor have such authorities passed upon the adequacy or accuracy of the information contained in this Official Statement.

Continuing Compliance with Certain Covenants

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

Environmental Regulations

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

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

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

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

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.

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

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

In 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.

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.

The 90th Texas Legislature

The regular session of the 90th Texas Legislature (the "Legislature") is scheduled to commence on January 12, 2027. The Legislature meets in regular session in odd numbered years for 140 days. When the Legislature is not in session, the Governor may call one or more special sessions, at the Governor's discretion, each lasting no more than 30 days, and for which the Governor sets the agenda. Texas Governor Greg Abbott has identified on his agenda property tax relief as a legislative priority. The District cannot predict the likelihood of legislative property tax reform at the legislative level or the impacts therefrom, if implemented.

Bond Insurance Risk Factors

The District has applied for a bond insurance policy to guarantee the scheduled payment of principal and interest on the Bonds. The District has yet to determine whether an insurance policy will be purchased with the Bonds. If an insurance policy is purchased, the following are risk factors relating to bond insurance.

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

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

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

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

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

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

LEGAL MATTERS

Legal Opinions

Delivery of the Bonds will be accompanied by the approving legal opinion of the Attorney General of Texas to the effect that the Bonds are valid and legally binding obligations of the District under the Constitution and laws of the State of Texas payable from the proceeds of an annual ad valorem tax levied, without legal limit as to rate or amount, upon all taxable property within the District, and based upon their examination of a transcript of certified proceedings relating to the issuance and sale of the Bonds; and by the approving legal opinion of Bond Counsel, to a like effect, and to the effect that interest on the Bonds is excludable from gross income for federal income tax purposes under existing law, and interest on the Bonds is not subject to the federal alternative minimum tax.

Except as noted below, Bond Counsel did not take part in the preparation of this Official Statement. Bond Counsel has reviewed the information appearing in this Official Statement under the captions "THE DISTRICT - Authority," and "-

Investment Policy," "THE BONDS" (except under the subheadings "Book-Entry-Only System," and "– Use and Distribution of Bond Proceeds"), "TAXING PROCEDURES," "LEGAL MATTERS," "TAX MATTERS" and "CONTINUING DISCLOSURE OF INFORMATION," solely to determine whether such information fairly summarizes matters of law and the provisions of the documents referred to therein. Bond Counsel has not, however, independently verified any of the factual information contained in this Official Statement nor has it conducted an investigation of the affairs of the District for the purpose of passing upon the accuracy or completeness of this Official Statement. No person is entitled to rely upon Bond Counsel's limited participation as an assumption of responsibility for or an expression of opinion of any kind with regard to the accuracy or completeness of any information contained herein.

The legal fees paid to Bond Counsel for services rendered in connection with the issuance of the Bonds are based on a percentage of the bonds actually issued, sold and delivered and, therefore, such fees are contingent upon the sale and delivery of the Bonds.

No-Litigation Certificate

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

No Material Adverse Change

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

TAX MATTERS

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

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

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

Current and future legislative proposals, if enacted into law; clarification of the Code; or court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislature proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

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

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

Proposed Tax Legislation

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

Tax Accounting Treatment of Original Issue Discount Bonds

To the extent the issue price of any maturity of the Bonds may be less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Bonds which is entitled to be excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Beneficial Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of obligations, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Qualified Tax-Exempt Obligations

The 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 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 "qualified tax-exempt obligations" and will represent that the aggregate amount of tax-exempt bonds (including the Bonds) issued by the District and entities aggregated with the District under the Code

during calendar year 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 this exception, qualifying financial institutions acquiring the bonds will be subject to a 20% disallowance of allocable interest expense.

CONTINUING DISCLOSURE OF INFORMATION

The offering of the Bonds qualifies for the SEC Rule 15c2-12(d)(2) exemption from the SEC Rule 15c2-12(b)(5) regarding the District's continuing disclosure obligations because the District does not have more than $10,000,000 in aggregate principal amount of bonds outstanding and no person is committed by contract or other arrangement with respect to the payment of the Bonds. In the Bond Order, the District has made 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 information to be updated with respect to the Distict includes the quantitative financial information and operating data which will be provided with respect to the District is found in "APPENDIX A." The District will update and provide this information to the MSRB within six (6) months after the end of each of its fiscal years ending in or after 2026.

The District may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by SEC Rule 15c2-12 of the Securities Exchange Act (the "Rule"). The updated information will include audited financial statements, if the District commissions an audit and it is completed by the required time. If audited financial statements are not available by the required time, the District will provide audited financial statements when and if the audit report becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in "APPENDIX A" or such other accounting principles as the District may be required to employ from time to time pursuant to state law or regulation.

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

Event Notices

The District will provide timely notices of certain events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten business days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other material events affecting the tax-exempt status of the Bonds; (7) modifications to rights of beneficial owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District; (13) consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, 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, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect bondholders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the District, any of which reflect financial difficulties. The term "financial obligation" when used in this paragraph shall have the meaning ascribed to it under federal securities laws including meaning a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term "financial obligation" does not include municipal securities for which a final official statement has been provided to the MSRB consistent with the Rule. The term "material" when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Order make 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 EMMA

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

Limitations and Amendments

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

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

Compliance with Prior Undertakings

The District has been in material compliance with its prior continuing disclosure agreements made in accordance with the Rule.

OFFICIAL STATEMENT

General

The information contained in this Official Statement has been obtained primarily from the District's records, the Engineer, the Tax Assessor/Collector, the Appraisal District, and other sources believed to be reliable; however, no representation is made as to the accuracy or completeness of the information contained herein, except as described below. The summaries of the statutes, resolutions and engineering and other related reports set forth herein are included subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information.

The District's financial statements for the fiscal year ended July 31, 2025, were audited by Mark C. Eyring, CPA, PLLC, and have been included herein as "APPENDIX A." Mark C. Eyring, CPA, PLLC, has consented to the publication of such financial statements in this Preliminary Official Statement.

Experts

The information contained in this Official Statement relating to engineering and to the description of the Utility System, and, in particular, that engineering information included in the sections entitled "THE BONDS – Use and Distribution of Bond Proceeds," "THE DISTRICT – Location," "DEVELOPMENT OF THE DISTRICT –Development within the District," and "THE UTILITY SYSTEM" has been provided by the Engineer and has been included herein in reliance upon the authority of said firm as an expert in the field of civil engineering.

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

Certification as to Official Statement

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

Updating of Official Statement

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

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CONCLUDING STATEMENT

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

This Official Statement was approved by the Board of Directors of Harris County Municipal Utility District No. 44 as of the date shown on the cover page hereof.

/s/ _____
Rolf Flemming
President, Board of Directors
Harris County Municipal Utility District No. 44

ATTEST:

/s/ _____
Darrin Harvey
Secretary, Board of Directors
Harris County Municipal Utility District No. 44

APPENDIX A

Financial Statements of the District

HARRIS COUNTY

MUNICIPAL UTILITY DISTRICT NO. 44

HARRIS COUNTY, TEXAS

ANNUAL AUDIT REPORT

JULY 31, 2025

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Mark C. Eyring, CPA, PLLC

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November 11, 2025

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Harris County Municipal
Utility District No. 44
Harris County, Texas

Opinions

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Harris County Municipal Utility District No. 44 as of and for the year ended July 31, 2025, and the related notes to the financial statements, which collectively comprise Harris County Municipal Utility District No. 44's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Harris County Municipal Utility District No. 44, as of July 31, 2025, and the respective changes in financial position and, where applicable, cash flows there of for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Harris County Municipal Utility District No. 44, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Harris County Municipal Utility District No. 44'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

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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. I 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 Harris County Municipal Utility District No. 44's internal control. Accordingly, no such opinion is expressed. I 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. I conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Harris County Municipal Utility District No. 44's ability to continue as a going concern for a reasonable period of time.

I am 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 I 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. I 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 I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Harris County Municipal Utility District No. 44's basic financial statements. The supplementary information on Pages 25 to 39 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. Except for the portion marked "unaudited," the information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The supplementary information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on it. The accompanying supplementary information includes financial data excerpted from prior year financial statements which were audited by my firm.



Management's Discussion and Analysis

Using this Annual Report

Within this section of the Harris County Municipal Utility District No. 44 (the "District") annual report, the District's Board of Directors provides narrative discussion and analysis of the financial activities of the District for the fiscal year ended July 31, 2025.

The annual report consists of a series of financial statements plus additional supplemental information to the financial statements as required by its state oversight agency, the Texas Commission on Environmental Quality. In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities which engage in a single governmental program. In the District's case, the single governmental program is provision of water and sewer services. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented on the left side of the statements, a column for adjustments is to the right of the fund financial statements, and the government-wide financial statements are presented to the right side of the adjustments column. The following sections describe the measurement focus of the two types of statements and the significant differences in the information they provide.

Government-Wide Financial Statements

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

The difference between the District's total assets and total liabilities is labeled as *net position* and this difference is similar to the total owners' equity presented by a commercial enterprise.

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

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

Fund Financial Statements

Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the District rather than the District as a whole. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations.

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

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

Because the focus of the government-wide and fund financial statements are different, there are significant differences between the totals presented in these financial statements. For this reason, there is an analysis in Note 3 of the notes to the financial statements that reconciles the total fund balances to the amount of net position presented in the governmental activities column on the statement of net position. Also, there is an analysis in Note 3 of the notes to the financial statements that reconciles the total change in fund balances for all governmental funds to the change in net position as reported in the governmental activities column in the statement of activities.

Financial Analysis of the District as a Whole

Financial Analysis of the District as a Whole begins with an understanding of how financial resources flow through the District's funds. Resources in the Capital Projects Fund are derived principally from proceeds of the sale of bonds, and expenditures from this fund are subject to the Rules of the Texas Commission on Environmental Quality. Resources in the Debt Service Fund are derived principally from the collection of property taxes and are used for the payment of tax collection costs and bond principal and interest. Resources in the General Fund are derived principally from property taxes and billings for water and sewer services and are used to operate and maintain the system and to pay costs of administration of the District.

Management has financial objectives for each of the District's funds. The financial objective for the Capital Projects Fund is to spend the funds as necessary in accordance with the Rules of the Texas Commission on Environmental Quality. The financial objective for the Debt Service Fund is to levy the taxes necessary to pay the fiscal year debt service requirements plus the cost of levying and collecting taxes, leaving the appropriate fund balance as recommended by the District's financial advisor. The financial objective for the General Fund is to keep the fund's expenditures as low as possible while ensuring that revenues are adequate to cover expenditures and maintaining the fund balance that Management believes is prudent. Management believes that these financial objectives were met during the fiscal year.

Management believes that the required method of accounting for certain elements of the government-wide financial statements makes the government-wide financial statements as a whole not useful for financial analysis. In the government-wide financial statements, capital assets and depreciation expense have been required to be recorded at historical cost. Management's policy is to maintain the District's capital assets in a condition greater than or equal to the condition required by regulatory authorities, and management does not believe that depreciation expense is relevant to the management of the District. In the government-wide financial statements, certain non-cash costs of long-term debt are capitalized and amortized over the life of the related debt. Management believes that this required method of accounting is not useful for financial analysis of the District and prefers to consider the required cash flows of the debt as reported in the fund statements and the notes to the financial statements. In the government-wide financial statements, property tax revenues are required to be recorded in the fiscal year for which the taxes are levied, regardless of the year of collection. Management believes that the cash basis method of accounting for property taxes in the funds provides more useful financial information.

The following required summaries of the District's overall financial position and operations for the past two years are based on the information included in the government-wide financial statements. For the reasons described in the preceding paragraph, a separate analysis of the summaries is not presented.

Summary of Net Position

	2025	2024	Change
Current and other assets	$ 6,993,440	$ 7,396,414	$ (402,974)
Capital assets	3,876,294	2,848,718	1,027,576
Total assets	10,869,734	10,245,132	624,602
Long-term liabilities	2,859,837	2,924,805	(64,968)
Other liabilities	418,974	216,596	202,378
Total liabilities	3,278,811	3,141,401	137,410
Net position:			
Invested in capital assets, net of related debt	1,034,627	105,358	929,269
Restricted	1,529,841	2,446,269	(916,428)
Unrestricted	5,026,455	4,552,104	474,351
Total net position	$ 7,590,923	$ 7,103,731	$ 487,192

Summary of Changes in Net Position

	2025	2024	Change
Revenues:			
Property taxes, including related penalty and interest	$ 684,643	$ 491,746	$ 192,897
Charges for services	1,040,276	1,184,151	(143,875)
Other revenues	270,716	183,142	87,574
Total revenues	1,995,635	1,859,039	136,596
Expenses:			
Service operations	1,389,611	1,609,341	(219,730)
Debt service	118,832	29,113	89,719
Total expenses	1,508,443	1,638,454	(130,011)
Change in net position	487,192	220,585	266,607
Net position, beginning of year	7,103,731	6,883,146	220,585
Net position, end of year	$ 7,590,923	$ 7,103,731	$ 487,192

Financial Analysis of the District's Funds

The District's combined fund balances as of the end of the fiscal year ended July 31, 2025, were $6,615,860, a decrease of $514,847 from the prior year.

The General Fund balance increased by $442,793, in accordance with the District's financial plan. The Board of Directors has adopted policies designed to build the balance in the General Fund to cover the anticipated costs of rehabilitation and repair of aging water distribution and sanitary sewage collection systems.

The Debt Service Fund balance increased by $87,686, in accordance with the District's financial plan.

The Capital Projects Fund balance decreased by $1,086,643, as authorized expenditures exceeded interest earnings on deposits and investments.

General Fund Budgetary Highlights

The Board of Directors did not amend the budget during the fiscal year. The District's budget is primarily a planning tool. Accordingly, actual results varied from the budgeted amounts. A comparison of actual to budgeted amounts is presented on Page 24 of this report. The budgetary fund balance as of July 31, 2025, was expected to be $5,818,251 and the actual end of year fund balance was $6,219,493.

Capital Asset and Debt Administration

Capital Assets

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

	Capital Assets (Net of Accumulated Depreciation)		
	2025	2024	Change
Land	$ 88,022	$ 88,022	$ 0
Construction in progress	1,218,855	86,641	1,132,214
Water facilities	1,540,838	1,570,842	(30,004)
Sewer facilities	1,028,579	1,103,213	(74,634)
Totals	$ 3,876,294	$ 2,848,718	$ 1,027,576

Changes to capital assets during the fiscal year ended July 31, 2025, are summarized as follows:

Additions:	
Water system improvements	$ 1,175,965
Decreases:	
Depreciation	(148,389)
Net change to capital assets	$ 1,027,576

Debt

Changes in the bonded debt position of the District during the fiscal year ended July 31, 2025, are summarized as follows:

Bonded debt payable, beginning of year	$ 3,000,000
Bonds paid	0
Bonded debt payable, end of year	$ 3,000,000

At July 31, 2025, the District had $7,000,000 of bonds authorized but unissued for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage system within the District.

The District's bonds have an underlying rating of A- by Standard and Poor's. The Series 2024 bonds are insured by Assured Guaranty Municipal Corp. The District's Series 2024 bonds are rated AA by Standard & Poor's. There were no changes in the bond ratings during the fiscal year ended July 31, 2025.

At July 31, 2025, there were no developer construction commitments or liabilities.

RELEVANT FACTORS AND WATER SUPPLY ISSUES

Property Tax Base

The District's tax base increased by approximately $16,320,000 for the 2024 tax year (approximately 7%) primarily due to the increase of the average assessed valuations on existing property.

Relationship to the City of Houston

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City of Houston, the District must conform to a City of Houston ordinance consenting to the creation of the District. In addition, the District may be annexed by the City of Houston without the District's consent. If the District is annexed, the City will assume the District's assets and obligations (including the bonded indebtedness) and dissolve the District within ninety (90) days.

Utilizing a provision of Texas law, effective December 13, 2010, the District and the City of Houston (the "City") entered into a 30 year Strategic Partnership Agreement (the "Agreement"). Under the terms of the Agreement, the City annexed a portion of the District (the "Partial District") for the limited purpose of imposition of the City's Sales and Use Tax. In addition, the Agreement provides that the City shall apply and enforce within the Partial District the most current section of the City's fire code banning fireworks as adopted by City Council. The Agreement states that the District and all taxable property within the District shall not be liable for any present or future debts of the City and current and future taxes levied by the City shall not be levied on taxable property with the District. During the term of the SPA, the City has agreed not to annex all or part of the District or commence any action to annex all or part of the District for full purposes.

The City has imposed a Sales and Use Tax within the boundaries of the Partial District at the time of the limited-purpose annexation of the Partial District. The Agreement provides that the City shall pay to the District one half of all Sales and Use Tax revenues generated within the boundaries of the Partial District and received by the City from the Comptroller of Public Accounts of the State of Texas.

Water Supply Issues

The District is located within the boundaries of the Harris-Galveston Subsidence District ("Subsidence District") and the North Harris County Regional Water Authority ("NHCRWA"). The NHCRWA was created to provide for conversion of the area within its boundaries from groundwater usage to alternative sources of water supply (e.g., surface water) as required by regulations of the Subsidence District. The NHCRWA covers an area located in northern Harris County and adjacent to the City of Houston. Pursuant to an order of the Subsidence District and the NHCRWA's Groundwater Reduction Plan (as approved by the Subsidence District), the area within the boundaries of the NHCRWA must be converted to at least 30% alternate source (e.g., surface) water use by 2010, 60% alternate source water use by 2025, and 80% alternate source water use by 2035. To implement the required conversion to alternate source water use in accordance with such schedule, the NHCRWA is in the process of designing and constructing and will operate a network of transmission and distribution lines, storage tanks, and pumping stations to transport and distribute water within the NHCRWA (the "NHCRWA System"). In addition, the NHCRWA has entered into a water supply contract to secure a long-term supply of treated surface water from the City of Houston.

The District is subject to the NHCRWA's Groundwater Reduction Plan. The NHCRWA, as part of the plan of financing the NHCRWA System, has elected to allow districts, such as the District, to participate in a pro-rata share of the costs associated with the acquisition and construction of the NHCRWA System (including the costs associated with the acquisition of alternate sources of water supply) by issuing its own debt or using cash on hand, entitling the District to a future credit against pumpage fees due to the NHCRWA. The District has elected to participate in this manner as described below. The District may be required by the NHCRWA to participate in the groundwater conversion project by converting to surface water some time after January 1, 2010. Noncompliance with the NHCRWA's Groundwater Reduction Plan or nonparticipation in the NHCRWA's surface water conversion project could result in the District's exclusion from the NHCRWA's Groundwater Reduction Plan and assessment of the Subsidence District's disincentive fee against groundwater pumped from wells located within the District.

Groundwater pumped from wells located within the District is not currently subject to the Subsidence District's groundwater disincentive fee. However, groundwater pumped from wells located within the District is subject to a per 1,000 gallon pumpage fee that is assessed and collected by the NHCRWA pursuant to the NHCRWA's Pumpage Fee Order. In accordance with this provision, as of July 31, 2025, the Authority had established a well pumpage fee of $2.60 per 1,000 gallons of water pumped from each regulated well and surface water usage fees of $3.05 per 1,000 gallons. The issuance of additional bonds by the District in an undetermined amount may be necessary at some time in the future to finance the acquisition and construction of surface water infrastructure (whether such costs are incurred directly by the District or through projects undertaken by the NHCRWA). The NHCRWA has sold bonds to finance a portion of the costs related to the design, acquisition and construction of the NHCRWA System. The NHCRWA bonds are secured by revenues of the NHCRWA, including the pumpage fee.

As further described in Note 10 of the notes to the financial statements, the District has contributed funds to the Authority for its share of the Authority's construction costs. Under the terms of the contracts, the District will receive credits quarterly. These credits are to be applied: first, against the District's pumpage fee, if any; second, against any amounts due to the Authority for water purchases or any other reason; and third, paid to the District by the Authority each in installments as payments are due, not less frequently than annually. The credits are based upon the amortization of the District's contribution.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 44

STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET

JULY 31, 2025

ASSETS	General	Debt Service	Capital Projects	Total	Adjustments (Note 3)	Statement of Net Position
Cash, including interest-bearing accounts, Note 7	$ 91,584	$ 51,966	$ 10,480	$ 154,030	$	$ 154,030
Temporary investments, at cost, Note 7	4,884,491	256,459	175,010	5,315,960		5,315,960
Receivables:						
Property taxes	46,361	12,818		59,179		59,179
Accrued penalty and interest on property taxes				0	13,833	13,833
Service accounts	80,707			80,707		80,707
City of Houston, Note 11	4,181			4,181		4,181
Other	29,711		2,000	31,711		31,711
Due from other fund			5,157	5,157	(5,157)	0
Construction advance to other entity	96,525			96,525		96,525
Deposit	3,415			3,415		3,415
Chloramine costs due from regional authority, Note 10	174,566			174,566		174,566
Prepaid surface water capital contribution, Note 10	1,036,833			1,036,833		1,036,833
Deposits at joint venture, Note 9	22,500			22,500		22,500
Capital assets, net of accumulated depreciation, Note 4:						
Capital assets not being depreciated				0	1,306,877	1,306,877
Depreciable capital assets				0	2,569,417	2,569,417
Total assets	$ 6,470,874	$ 321,243	$ 192,647	$ 6,984,764	3,884,970	10,869,734
LIABILITIES						
Accounts payable	$ 94,463	$	$ 3,505	$ 97,968		97,968
Construction contracts payable			101,200	101,200		101,200
Accrued interest payable				0	49,438	49,438
Customer deposits	105,400			105,400		105,400
Due from other fund	5,157			5,157	(5,157)	0
Long-term liabilities, Note 5:						
Due within one year				0	64,968	64,968
Due in more than one year				0	2,859,837	2,859,837
Total liabilities	205,020	0	104,705	309,725	2,969,086	3,278,811
DEFERRED INFLOWS OF RESOURCES						
Property tax revenues	46,361	12,818	0	59,179	(59,179)	0
FUND BALANCES / NET POSITION						
Fund balances:						
Nonspendable:						
Due from regional authority, Note 10	174,566			174,566	(174,566)	0
Prepaid surface water capital contribution, Note 10	1,036,833			1,036,833	(1,036,833)	0
Reserve at joint venture, Note 9	22,500			22,500	(22,500)	0
Restricted for bond interest, Note 5		83,138		83,138	(83,138)	0
Committed to construction contracts in progress	96,525		28,000	124,525	(124,525)	0
Assigned to:						
Debt service		225,287		225,287	(225,287)	0
Capital projects			59,942	59,942	(59,942)	0
Unassigned	4,889,069			4,889,069	(4,889,069)	0
Total fund balances	6,219,493	308,425	87,942	6,615,860	(6,615,860)	0
Total liabilities, deferred inflows, and fund balances	$ 6,470,874	$ 321,243	$ 192,647	$ 6,984,764		
Net position:						
Invested in capital assets, net of related debt					1,034,627	1,034,627
Restricted for receivables from regional authority					1,211,399	1,211,399
Restricted for debt service					202,500	202,500
Restricted for capital projects					115,942	115,942
Unrestricted					5,026,455	5,026,455
Total net position					$ 7,590,923	$ 7,590,923

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

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 44

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JULY 31, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments (Note 3)	Statement of Activities
REVENUES						
Property taxes	$ 473,608	$ 187,736	$	$ 661,344	$ 8,061	$ 669,405
Water service	217,081			217,081		217,081
Sewer service	408,959			408,959		408,959
Surface water fees, Notes 10	286,230			286,230		286,230
Sales and Use Taxes, Note 11	11,622			11,622		11,622
Penalty and interest	27,509	24,465		51,974	(9,227)	42,747
Interest on surface water chloramine costs, Note 10	10,849			10,849		10,849
Interest on prepaid surface water capital contribution, Note 10	57,087			57,087		57,087
Interest on deposits and investments	201,387	10,139	47,568	259,094		259,094
Other revenues	32,561			32,561		32,561
Total revenues	1,726,893	222,340	47,568	1,996,801	(1,166)	1,995,635
EXPENDITURES / EXPENSES						
Service operations:						
Purchased sewer services, Note 9	151,649			151,649		151,649
Professional fees	94,628	8,945		103,573		103,573
Contracted services	142,517	23,823		166,340		166,340
Utilities	30,671			30,671		30,671
Surface water fees, Note 10	278,454			278,454		278,454
Repairs, maintenance and other operating expenditures	211,855			211,855		211,855
Garbage disposal	191,691			191,691		191,691
Administrative expenditures	84,867	7,425		92,292		92,292
Depreciation				0	148,389	148,389
Capital outlay / non-capital outlay	56,451		1,134,211	1,190,662	(1,175,965)	14,697
Debt service:						
Interest and fees		94,461		94,461	24,371	118,832
Total expenditures / expenses	1,242,783	134,654	1,134,211	2,511,648	(1,003,205)	1,508,443
Excess (deficiency) of revenues over expenditures	484,110	87,686	(1,086,643)	(514,847)	1,002,039	487,192
OTHER FINANCING SOURCES (USES)						
Reimbursement to (from) other fund, Note 7	(41,317)	41,317	0	0	0	0
Total other financing sources (uses)	(41,317)	41,317	0	0	0	0
Net change in fund balances / net position	442,793	129,003	(1,086,643)	(514,847)	1,002,039	487,192
Beginning of year	5,776,700	179,422	1,174,585	7,130,707	(26,976)	7,103,731
End of year	$ 6,219,493	$ 308,425	$ 87,942	$ 6,615,860	$ 975,063	$ 7,590,923

The accompanying/notes are an integral part of the financial statements.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 44

NOTES TO THE FINANCIAL STATEMENTS

JULY 31, 2025

NOTE 1: REPORTING ENTITY

Harris County Municipal Utility District No. 44 (the "District") was created by an order of the Texas Water Commission (now the Texas Commission on Environmental Quality) effective October 3, 1979, and operates in accordance with Texas Water Code Chapters 49 and 54. The District is a political subdivision of the State of Texas, governed by an elected five member Board of Directors. The Board of Directors held its first meeting on October 5, 1979 and the first bonds were sold on May 5, 1982. The District is subject to the continuing supervision of the Texas Commission on Environmental Quality.

The District is empowered, among other things, to purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the supply of water; the collection, transportation and treatment of wastewater; and the control and diversion of storm water. The District may provide garbage disposal and collection services. In addition, the District is empowered, if approved by the electorate, the Texas Commission on Environmental Quality and other governmental entities having jurisdiction, to establish, operate and maintain a fire department, either independently or jointly with certain other districts.

In evaluating how to define the District for financial reporting purposes, the Board of Directors of the District has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria established by the Governmental Accounting Standards Board. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, there were no other entities which were included as a component unit in the District's financial statements.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

The District's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board (the "GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board issued through November 30, 1989 (when applicable), that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the District are discussed below.

Basic Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and governmental fund financial statements (reporting the District's funds). Because the District is a single-program government as defined by the GASB, the District has combined the government-wide statements and the fund financial statements using a columnar format that reconciles individual line items of fund financial data to government-wide data in a separate column on the face of the financial statements. An additional reconciliation between the fund and the government-wide financial data is presented in Note 3.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements. The District's net position is reported in three parts – invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The government-wide statement of activities reports the components of the changes in net position during the reporting period.

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for in a separate set of self-balancing accounts that comprises its assets, liabilities, fund balances, revenues and expenditures and changes in fund balances. The District's fund balances are reported as nonspendable, restricted, committed, assigned or unassigned. Nonspendable fund balances are either not in spendable form or are contractually required to remain intact. Restricted fund balances include amounts that can only be used for the specific purposes stipulated by constitutional provisions, external resource providers or enabling legislation. Committed fund balances include amounts that can only be used for the specific purposes determined by formal action of the District's Board of Directors. Assigned fund balances are intended for a specific purpose but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. The transactions of the District are accounted for in the following funds:

General Fund -- To account for all revenues and expenditures not required to be accounted for in other funds.

Debt Service Fund -- To account for the accumulation of financial resources for, and the payment of, bond principal and interest, paid principally from property taxes levied by the District.

Capital Projects Fund -- To account for financial resources designated to construct or acquire capital assets. Such resources are derived principally from proceeds of the sale of bonds.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Basis of Accounting

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting which recognizes all long-term assets and receivables as well as long-term debt and obligations. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Ad valorem property taxes are recognized as revenues in the fiscal year for which they have been levied and related penalties and interest are recognized in the fiscal year in which they are imposed. An allowance for uncollectibles is estimated for delinquent property taxes and reported separately in the financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred except for principal and interest on bonds payable which are recorded only when payment is due.

Interfund Activity

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is reported as interfund receivables or payables, as appropriate, as are all other outstanding balances between funds. Operating transfers between funds represent legally authorized transfers from the fund receiving resources to the fund through which the resources are to be expended.

Receivables

Service accounts receivable as reported are considered collectible. The District uses the direct write off method for uncollectible service accounts. Unbilled water and sewer revenues are not material and are not recorded at year end. The District considers service accounts revenues to be available if they are to be collected within 60 days after the end of the fiscal year.

In the fund financial statements, ad valorem taxes and penalties and interest are reported as revenues in the fiscal year in which they become available to finance expenditures of the fiscal year for which they have been levied. Property taxes which have been levied and are not yet collected (or have been collected in advance of the fiscal year for which they have been levied) are recorded as deferred inflow of resources. Property taxes collected after the end of the fiscal year are not included in revenues.

Capital Assets

Capital assets, which include property, plant, equipment, and immovable public domain or "infrastructure" assets are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than $5,000 (including installation costs, if any, and associated professional fees) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed by the District. Donated capital assets are recorded at historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset or increase the value of an asset are capitalized. Costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on capital assets is computed using the straight-line method over the following estimated useful lives:

Plant and equipment	10-45 years
Underground lines	45 years

Regional Water Authority Credits

The District reports the surface water fee charges incurred by the District at the gross amount of the charges. Credits received under agreements with the regional water authority are recorded as either a repayment of the principal amount or interest earned at the interest rate of the applicable agreement. The principal is amortized based upon the life of the credits and the interest rate of the applicable agreement.

Long-term Liabilities

Long-term debt and other long-term obligations are reported in the government-wide financial statements. Bond premiums and discounts, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable premium or discount. If bonds are refunded and the carrying amount of the new debt is different than the net carrying amount of the old debt, the difference is netted against the new debt and amortized using the effective interest method over the shorter of the remaining life of the refunded debt or the life of the new debt issued.

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

NOTE 3: RECONCILIATION OF FUND TO GOVERNMENT-WIDE FINANCIAL STATEMENTS

Reconciliation of year end fund balances to net position:

Total fund balances, end of year		$ 6,615,860
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Total capital assets, net		3,876,294
Some long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:		
Bonds payable	$ (3,000,000)	
Issuance discount, net of premiums (to be amortized as interest expense)	75,195	(2,924,805)
Some receivables that do not provide current financial resources are not reported as receivables in the funds:		
Accrued penalty and interest on property taxes receivable	13,833	
Uncollected property taxes	59,179	73,012
Some liabilities that do not require the use of current financial resources are not reported as liabilities in the funds:		
Accrued interest		(49,438)
Net position, end of year		$ 7,590,923

Reconciliation of net change in fund balances to change in net position:

Total net change in fund balances		$ (514,847)
The funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:		
Capital outlay	$ 1,175,965	
Depreciation	(148,389)	1,027,576
The funds report the effect of bond issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of these items:		
Issuance discounts		(4,046)
Some revenues reported in the statement of activities do not provide current financial resources and therefore are not reported as revenues in the funds:		
Accrued penalty and interest on property taxes receivable	(9,227)	
Uncollected property taxes	8,061	(1,166)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds:		
Accrued interest		(20,325)
Change in net position		$ 487,192

NOTE 4: CAPITAL ASSETS

Capital asset activity for the fiscal year ended July 31, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 88,022	$	$	$ 88,022
Construction in progress	86,642	1,132,214		1,218,856
Total capital assets not being depreciated	174,664	1,132,214	0	1,306,878
Depreciable capital assets:				
Water system	3,436,836	43,751		3,480,587
Sewer system	2,601,606			2,601,606
Total depreciable capital assets	6,038,442	43,751	0	6,082,193
Less accumulated depreciation for:				
Water system	(1,865,994)	(73,755)		(1,939,749)
Sewer system	(1,498,394)	(74,634)		(1,573,028)
Total accumulated depreciation	(3,364,388)	(148,389)	0	(3,512,777)
Total depreciable capital assets, net	2,674,054	(104,638)	0	2,569,416
Total capital assets, net	$ 2,848,718	$ 1,027,576	$ 0	$ 3,876,294
Changes to capital assets:				
Capital outlay		$ 1,175,965	$	
Less depreciation expense for the fiscal year		(148,389)		
Net increases / decreases to capital assets		$ 1,027,576	$ 0	

NOTE 5: LONG-TERM LIABILITIES AND CONTINGENT LIABILITIES

Long-term liability activity for the fiscal year ended July 31, 2025 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable	$ 3,000,000	$	$ 0	$ 3,000,000	$ 70,000
Less deferred amounts:					
For issuance discounts	(79,241)		(4,046)	(75,195)	(5,032)
Total bonds payable	2,920,759	0	(4,046)	2,924,805	64,968
Total long-term liabilities	$ 2,920,759	$ 0	$ (4,046)	$ 2,924,805	$ 64,968

Bonds voted	$ 17,600,000
Bonds approved for sale and sold	10,600,000
Bonds voted and not issued	7,000,000

NOTES TO THE FINANCIAL STATEMENTS (Continued)

As of July 31, 2025, the debt service requirements on the bonds payable were as follows:

Fiscal Year	Principal	Interest	Total
2026	$ 70,000	$ 117,250	$ 187,250
2027	70,000	114,450	184,450
2028	75,000	111,550	186,550
2029	75,000	108,550	183,550
2030	80,000	105,450	185,450
2031 - 2035	460,000	474,650	934,650
2036 - 2040	575,000	375,359	950,359
2041 - 2045	710,000	251,819	961,819
2046 - 2050	885,000	92,997	977,997
	$ 3,000,000	$ 1,752,075	$ 4,752,075

The bonds are payable from the proceeds of an ad valorem tax levied upon all property subject to taxation within the District, without limitation as to rate or amount.

The bond issues payable at July 31, 2025, were as follows:

	Series 2024
Amounts outstanding, July 31, 2025	$3,000,000
Interest rates	3.50% to 4.125%
Maturity dates, serially beginning/ending	September 1, 2025/2049
Interest payment dates	September 1/March 1
Callable dates	September 1, 2030*

*Or any date thereafter, callable at par plus accrued interest in whole or in part at the option of the District.

In accordance with the Series 2024 Bond Order, a portion of the bond proceeds were deposited into the debt service fund and reserved for the payment of bond interest. This bond interest reserve is reduced as the interest is paid. Transactions for the current year are summarized as follows:

Bond interest reserve, beginning of year	$ 177,399
Appropriation for bond interest paid	(94,261)
Bond interest reserve, end of year	$ 83,138

Developer Construction Commitments and Liabilities

At July 31, 2025, there were no developer construction commitments or liabilities.

NOTE 6: PROPERTY TAXES

The Harris County Appraisal District has the responsibility for appraising property for all taxing units within the county as of January 1 of each year, subject to review and change by the county Appraisal Review Board. The appraisal roll, as approved by the Appraisal Review Board, must be used by the District in establishing its tax roll and tax rate. The District's taxes are usually levied in the fall, are due when billed and become delinquent after January 31 of the following year or 30 days after the date billed, whichever is later. On January 1 of each year, a statutory tax lien attaches to property to secure the payment of all taxes, penalties and interest ultimately imposed for the year on the property.

The Bond Orders require that the District levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes.

At an election held April 3, 1976, the voters within the District authorized a maintenance tax not to exceed $0.25 per $100 valuation on all property subject to taxation within the District.

On October 8, 2024, the District levied the following ad valorem taxes for the 2024 tax year on the adjusted taxable valuation of $239,939,507:

	Rate	Amount
Debt service	$ 0.0800	$ 191,952
Maintenance	0.2000	479,879
	$ 0.2800	$ 671,831

A reconciliation of the tax levy to property tax revenues on the Statement of Activities is as follows:

2024 tax year total property tax levy	$ 671,831
Appraisal district adjustments to prior year taxes	(2,426)
Statement of Activities property tax revenues	$ 669,405

NOTE 7: DEPOSITS AND TEMPORARY INVESTMENTS

The District complied with the requirements of the Public Funds Investment Act during the current fiscal year including the preparation of quarterly investment reports required by the Act.

State statutes authorize the District to invest and reinvest in direct or indirect obligations of the United States, the State of Texas, any county, city, school district, or other political subdivision of the state, or in local government investment pools authorized under the Public Funds Investment Act. Funds of the District may be placed in certificates of deposit of state or national banks or savings and loan associations within the state provided that they are secured in the manner provided for the security of the funds under the laws of the State of Texas. In accordance with the District's investment policies, during the current year the District's funds were invested in interest bearing accounts at authorized financial institutions, in a money market mutual fund and in TexPool, a local government investment pool sponsored by the State Comptroller. The money market mutual fund is rated Aaa by Moody’s and TexPool is rated AAAm by Standard & Poor’s.

In accordance with state statutes and the District's investment policies, the District requires that insurance or security be provided by depositories for all funds held by them. At the balance sheet date, the District's deposits were covered by federal insurance.

At the balance sheet date the carrying value and market value of the investments in TexPool was $5,315,960.

Deposits restricted by state statutes and Bond Orders:

Debt Service Fund

For payment of debt principal and interest, paying agent fees and costs of assessing and collecting taxes:

Cash	$ 51,966
Temporary investments	256,459
	$ 308,425

Capital Projects Fund

For construction of capital assets:

Cash	$ 10,480
Temporary investments	175,010
	$ 185,490

NOTE 8: 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; personal injuries and natural disasters. Significant losses are covered by insurance as described below. There were no significant reductions in insurance coverage from the prior fiscal year. There have been no settlements which have exceeded the insurance coverage for each of the past three fiscal years.

At July 31, 2025, the District had physical damage and boiler and machinery coverage of $4,265,000, general liability coverage with a per occurrence limit of $1,000,000 and $3,000,000 general aggregate, pollution liability coverage of $1,000,000, automobile liability coverage of $1,000,000 and worker's compensation coverage of $1,000,000. At this date, the District also had consultant’s crime coverage of $10,000 and a tax assessor-collector bond of $10,000.

NOTE 9: JOINT VENTURE

On October 18, 1979, the District and adjoining districts entered into a forty year agreement for the construction and operation of the Bammel Waste Treatment Plant (the "Plant"). Bammel Utility District is the operator of the Plant and holds title for the benefit of the participants. The District's share of the capacity in the Plant is 300,000 gallons per day or 15% of the total capacity. Construction costs of the Plant were funded by the contribution of funds from each participating district. The Plant issues no debt.

Participants are billed monthly for their pro rata share of operating costs. Certain costs defined as fixed costs are allocated to the participants based upon owned capacity in the Plant. The remaining costs of operating the system are considered variable costs and are allocated to each participant based upon the ratio of the number of equivalent connections in each district to total equivalent connections connected to the system. Investment earnings of the Plant are allocated to the participants based upon owned capacity. The District accrued $151,649 for operating expenditures and advanced $96,525 for capital improvements during fiscal year 2024. At July 31, 2025, the District had $22,500 on deposit for operating reserves at the Plant.

The following summary financial data of the Plant's General Fund is presented for the Plant's fiscal year ended November 30, 2024:

	Plant Total	District's Share
Total assets	$ 719,331	
Total liabilities	(619,331)	
Total fund equity	100,000	$ 15,000
Operating reserves	(100,000)	(15,000)
Undesignated fund balance	$ 0	$ 0
Total revenues	$ 988,407	$ 152,059
Total expenditures	(988,407)	(152,059)
Excess revenues (expenditures)	$ 0	$ 0

NOTE 10: REGIONAL WATER AUTHORITY FEES

The North Harris County Regional Water Authority (the "Authority") was created by House Bill 2965, Acts of the 76th Legislature, Regular Session 1999, and was confirmed by an election held on January 15, 2000. The Authority is a political subdivision of the State of Texas, governed by an elected five member Board of Directors. The Authority is empowered to, among other powers, "acquire or develop surface water and groundwater supplies from sources inside of or outside of the boundaries of the authority and may conserve, store, transport, treat, purify, distribute, sell and deliver water to persons, corporations, municipal corporations, political subdivisions of the state, and others, inside of and outside of the boundaries of the authority." The Authority is also empowered to "establish fees and charges as necessary to enable the authority to fulfill the authority's regulatory obligations." In accordance with this provision, as of July 31, 2025, the Authority had established a well pumpage fee of $2.60 per 1,000 gallons of water pumped from each regulated well and surface water usage fees of $3.05 per 1,000 gallons. The District's total surface water fees payable to the Authority for the fiscal year ended July 31, 2025, were $278,454. The District billed its customers $286,230 during the fiscal year to pay for the fees charged by the Authority and received credits of $132,252 from the Authority as described below.

On April 4, 2005, the District and the Authority entered in to a Capital Contribution Contract (the “Contract”). In accordance with the Contract, the District contributed $532,736 to the Authority during the fiscal year ended July 31, 2005, to pay for its share of the costs of constructing infrastructure to bring surface water to the District. Under the terms of the Contract, the District will receive a credit in the amount of $14,880 for the 2005 calendar year, $25,618 annually for the next four calendar years and $36,332 annually for the next 26 calendar years. This credit is to be applied: first, against the District’s pumpage fee, if any; second, against any amounts due to the Authority for water purchases or any other reason; and third, paid to the District by the Authority each in installments as payments are due, not less frequently than annually. The credit is based upon the amortization of the District’s contribution beginning in 2010 at a rate of 4.8087% over 26 years.

On August 4, 2008, the District and the Authority entered in to a Capital Contribution Contract (the "Contract"). In accordance with the Contract, the District contributed $1,066,530 to the Authority during the fiscal year ended July 31, 2009 to pay for its share of the costs of constructing infrastructure to bring surface water to the District. Under the terms of the Contract, the District will receive a credit in the amount of $48,692 for the 2009 calendar year, $57,331 annually for the next four calendar years and $78,546 annually for the next 25 calendar years. This credit is to be applied: first, against the District's pumpage fee, if any; second, against any amounts due to the Authority for water purchases or any other reason; and third, paid to the District by the Authority each in installments as payments are due, not less frequently than annually. The credit is based upon the amortization of the District's contribution beginning in 2014 at a rate of 5.494% over 25 years.

The District reports the surface water fee charges incurred by the District at the gross amount of the charges. Credits received under the terms of the Contracts are recorded as either a repayment of the principal amount of the prepaid surface water capital contribution or interest earned on the prepayment at the interest rate of the applicable Contract. The principal is amortized based upon the life of the credits and the interest rate of the applicable Contract.

During the fiscal year ended July 31, 2025, the District received credits of $114,878 under the provisions of the Contracts. Of this amount, $57,791 was a repayment of principal and $57,087 was interest.

A summary of the amortization of the remaining scheduled credits for the prepaid capital contributions is as follows:

Credits Due During Fiscal Years Ending July 31	Principal	Interest	Total
2026	$ 60,873	$ 54,005	$ 114,878
2027	64,119	50,759	114,878
2028	67,540	47,338	114,878
2029	71,143	43,735	114,878
2030	74,942	39,936	114,878
2031-2035	439,205	135,185	574,390
2036-2039	259,011	24,493	283,504
	$ 1,036,833	$ 395,451	$ 1,432,284

Effective January 1, 2010, the Authority adopted a rate order which provided for the reimbursement to the District for costs incurred by the District to modify its system to accept surface water from the Authority. The "Chloramine Credit" is credited monthly to the amounts payable to the Authority for water used by the District over a 30-year period at 6% interest. During the fiscal year ended July 31, 2011, the Authority determined that the allowable cost of construction were $239,143.

During the fiscal year ended July 31, 2025, the District received chloramine credits of $17,373. Of this amount, $6,524 was a repayment of principal and $10,849 was interest.

A summary of the amortization of the remaining scheduled chloramine credits is as follows:

Credits Due During Fiscal Years Ending July 31	Principal	Interest	Total
2026	$ 6,932	$ 10,441	$ 17,373
2027	7,367	10,007	17,374
2028	7,827	9,546	17,373
2029	8,319	9,055	17,374
2030	8,839	8,534	17,373
2031-2035	53,228	33,640	86,868
2036-2040	72,122	14,744	86,866
2041	9,932	203	10,135
	$ 174,566	$ 96,170	$ 270,736

NOTE 11: STRATEGIC PARTNERSHIP AGREEMENT

Utilizing a provision of Texas law, effective December 13, 2010, the District and the City of Houston (the "City") entered into a 30 year Strategic Partnership Agreement (the "Agreement"). Under the terms of the Agreement, the City annexed a portion of the District (the "Partial District") for the limited purpose of imposition of the City's Sales and Use Tax. In addition, the Agreement provides that the City shall apply and enforce within the Partial District the most current section of the City's fire code banning fireworks as adopted by City Council. The Agreement states that the District and all taxable property within the District shall not be liable for any present or future debts of the City and current and future taxes levied by the City shall not be levied on taxable property with the District. During the term of the SPA, the City has agreed not to annex all or part of the District or commence any action to annex all or part of the District for full purposes.

The City has imposed a Sales and Use Tax within the boundaries of the Partial District at the time of the limited-purpose annexation of the Partial District. The Agreement provides that the City shall pay to the District one half of all Sales and Use Tax revenues generated within the boundaries of the Partial District and received by the City from the Comptroller of Public Accounts of the State of Texas. The District accrued Sales and Use Tax revenues of $11,622 from the City for the fiscal year ended July 31, 2025, of which $4,181 was receivable at that date.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 44

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET AND ACTUAL, GENERAL FUND

FOR THE YEAR ENDED JULY 31, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property taxes	$ 490,000	$ 490,000	$ 473,608	$ (16,392)
Water service	230,000	230,000	217,081	(12,919)
Sewer service	470,000	470,000	408,959	(61,041)
Surface water fees	470,000	470,000	286,230	(183,770)
Sales and Use Taxes	8,000	8,000	11,622	3,622
Penalty	25,000	25,000	27,509	2,509
Interest on surface water chloramine costs	17,373	17,373	10,849	(6,524)
Interest on prepaid surface water capital contribution	114,878	114,878	57,087	(57,791)
Interest on deposits and investments	145,000	145,000	201,387	56,387
Other revenues	13,300	13,300	32,561	19,261
TOTAL REVENUES	1,983,551	1,983,551	1,726,893	(256,658)
EXPENDITURES				
Service operations:				
Purchased sewer services	190,000	190,000	151,649	(38,351)
Professional fees	100,500	100,500	94,628	(5,872)
Contracted services	140,000	140,000	142,517	2,517
Utilities	31,000	31,000	30,671	(329)
Surface water fees	390,000	390,000	278,454	(111,546)
Repairs, maintenance and other operating expenditures	231,500	231,500	211,855	(19,645)
Garbage disposal	180,000	180,000	191,691	11,691
Administrative expenditures	69,000	69,000	84,867	15,867
Capital outlay	610,000	610,000	56,451	(553,549)
TOTAL EXPENDITURES	1,942,000	1,942,000	1,242,783	(699,217)
EXCESS REVENUES (EXPENDITURES)	41,551	41,551	484,110	442,559
OTHER FINANCING SOURCES (USES)				
Reimbursement to other fund	0	0	(41,317)	(41,317)
EXCESS SOURCES (USES)	41,551	41,551	442,793	401,242
FUND BALANCE, BEGINNING OF YEAR	5,776,700	5,776,700	5,776,700	0
FUND BALANCE, END OF YEAR	$ 5,818,251	$ 5,818,251	$ 6,219,493	$ 401,242

The District's Board of Directors adopts an annual nonappropriated budget. This budget may be amended throughout the fiscal year and is prepared on a basis consistent with generally accepted accounting principles.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 44

SCHEDULE OF TEXAS SUPPLEMENTARY INFORMATION
REQUIRED BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

JULY 31, 2025

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

[X] TSI-1. Services and Rates

[X] TSI-2. General Fund Expenditures

[X] TSI-3. Temporary Investments

[X] TSI-4. Taxes Levied and Receivable

[X] TSI-5. Long-Term Debt Service Requirements by Year

[X] TSI-6. Changes in Long-Term Bonded Debt

[X] TSI-7. Comparative Schedule of Revenues and Expenditures - General Fund and Debt Service Fund - Five Year

[X] TSI-8. Board Members, Key Personnel and Consultants

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 44

SCHEDULE OF SERVICES AND RATES

JULY 31, 2025

1. Services Provided by the District during the Fiscal Year:

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

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

__ Other

2. Retail Service Providers

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

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1000 Gallons Over Minimum	Usage Levels
WATER:	$15.00	5,000	N	$1.50	5,001 to 15,000
				1.75	15,001 to 20,000
				2.50	20,001 to 25,000
				3.50	25,001 to 35,000
				4.50	35,001 to 50,000
				5.50	Over 50,000
WASTEWATER:	$45.00		Y		

SURCHARGE: $3.36 per 1,000 gallons of water used. – NHCRWA surface water fees.
0.50 % of monthly billing -- TCEQ assessment fees.

District employs winter averaging for wastewater usage: Yes __ No X

Total charges per 10,000 gallons usage: Water: $22.50 Wastewater: $45.00 Surcharge: $33.94

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 44

SCHEDULE OF SERVICES AND RATES (Continued)

JULY 31, 2025

b. Water and Wastewater Retail Connections (unaudited):

Meter Size	Total Connections	Active Connections	ESFC* Factor	Active ESFCs
Unmetered	0	0	1.0	0
< or = 3/4"	720	708	1.0	708
1"	38	38	2.5	95
1-1/2"	0	0	5.0	0
2"	8	7	8.0	56
3"	1	1	15.0	15
4"	0	0	25.0	0
6"	0	0	50.0	0
8"	0	0	80.0	0
10"	0	0	115.0	0
Total Water	767	754		874
Total Wastewater	753	740	1.0	740

*Single family equivalents

3. Total Water Consumption during the Fiscal Year (rounded to thousands):

Gallons pumped into system (unaudited): 83,747
Gallons billed to customers (unaudited): 80,325

Water Accountability Ratio
(Gallons billed/ gallons pumped): 96%

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

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

If yes, date of the most recent Commission Order: _____

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

If yes, date of the most recent Commission Order: _____

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 44

EXPENDITURES

FOR THE YEAR ENDED JULY 31, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Totals (Memorandum Only)
CURRENT				
Purchased sewer services	$ 151,649	$ 0	$ 0	$ 151,649
Professional fees:				
Auditing	9,925			9,925
Legal	67,616	8,945		76,561
Engineering	17,087			17,087
	94,628	8,945	0	103,573
Contracted services:				
Bookkeeping	29,892			29,892
Operation and billing	112,625			112,625
Tax assessor-collector		19,206		19,206
Central appraisal district		4,617		4,617
	142,517	23,823	0	166,340
Utilities	30,671	0	0	30,671
Surface water fees:				
Ground water pumpage fees	2,432			2,432
Purchased surface water	276,022			276,022
	278,454	0	0	278,454
Repairs, maintenance and other operating expenditures:				
Repairs and maintenance	195,360			195,360
Chemicals	820			820
Laboratory costs	299			299
Green medians	9,328			9,328
TCEQ assessment	3,165			3,165
Other	2,883			2,883
	211,855	0	0	211,855
Garbage disposal	191,691	0	0	191,691
Administrative expenditures:				
Director's fees	16,796			16,796
Office supplies and postage	36,080			36,080
Insurance	15,563	50		15,613
Permit fees	1,879			1,879
Communications	3,242			3,242
Other	11,307	7,375		18,682
	84,867	7,425	0	92,292

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 44

EXPENDITURES (Continued)

FOR THE YEAR ENDED JULY 31, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Totals (Memorandum Only)
CAPITAL OUTLAY				
Authorized expenditures	$ 56,451	$ 0	$ 1,134,211	$ 1,190,662
DEBT SERVICE				
Interest and fees:				
Interest		94,261		94,261
Paying agent fees		200		200
	0	94,461	0	94,461
TOTAL EXPENDITURES	$ 1,242,783	$ 134,654	$ 1,134,211	$ 2,511,648

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 44

ANALYSIS OF CHANGES IN DEPOSITS AND TEMPORARY INVESTMENTS
ALL GOVERNMENTAL FUND TYPES

FOR THE YEAR ENDED JULY 31, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Totals (Memorandum Only)
SOURCES OF DEPOSITS AND TEMPORARY INVESTMENTS				
Cash receipts from revenues excluding maintenance taxes	$ 1,271,551	$ 222,340	$ 47,568	$ 1,541,459
Maintenance tax receipts		473,608		473,608
Transfer of maintenance taxes	473,608			473,608
Increase in customer deposits	8,800			8,800
Principal portion of NHCRWA credits received	64,315			64,315
Reimbursement to other fund	1,403,263	41,317		1,444,580
Overpayments from taxpayers		5,418		5,418
TOTAL DEPOSITS AND TEMPORARY INVESTMENTS PROVIDED	3,221,537	742,683	47,568	4,011,788
APPLICATIONS OF DEPOSITS AND TEMPORARY INVESTMENTS				
Cash disbursements for:				
Current expenditures	1,186,798	40,128		1,226,926
Capital outlay	51,294		1,029,506	1,080,800
Debt Service		94,461		94,461
Other fund			5,157	5,157
Maintenance tax transfers		473,608		473,608
Increase in deposit at joint venture	7,500			7,500
Reimbursement to other fund	41,317		1,403,263	1,444,580
Refund of taxpayer overpayments		5,483		5,483
TOTAL DEPOSITS AND TEMPORARY INVESTMENTS APPLIED	1,286,909	613,680	2,437,926	4,338,515
INCREASE (DECREASE) IN DEPOSITS AND TEMPORARY INVESTMENTS	1,934,628	129,003	(2,390,358)	(326,727)
DEPOSITS AND TEMPORARY INVESTMENTS BALANCES, BEGINNING OF YEAR	3,041,447	179,422	2,575,848	5,796,717
DEPOSITS AND TEMPORARY INVESTMENTS BALANCES, END OF YEAR	$ 4,976,075	$ 308,425	$ 185,490	$ 5,469,990

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 44

SCHEDULE OF TEMPORARY INVESTMENTS

JULY 31, 2025

	Interest Rate	Maturity Date	Year End Balance	Accrued Interest Receivable
GENERAL FUND				
TexPool				
No. 2573800001	Market	On demand	$ 4,884,491	$ 0
DEBT SERVICE FUND				
TexPool				
No. 2573800002	Market	On demand	$ 256,459	$ 0
CAPITAL PROJECT FUND				
TexPool				
No. 2573800003	Market	On demand	$ 175,010	$ 0
Total – All Funds			$ 5,315,960	$ 0

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 44

TAXES LEVIED AND RECEIVABLE

FOR THE YEAR ENDED JULY 31, 2025

	Maintenance Taxes	Debt Service Taxes
RECEIVABLE, BEGINNING OF YEAR	$ 42,103	$ 9,015
Additions and corrections to prior year taxes	(2,013)	(413)
Adjusted receivable, beginning of year	40,090	8,602
2024 ADJUSTED TAX ROLL	479,879	191,952
Total to be accounted for	519,969	200,554
Tax collections: Current tax year	(458,862)	(183,545)
Prior tax years	(14,746)	(4,191)
RECEIVABLE, END OF YEAR	$ 46,361	$ 12,818
RECEIVABLE, BY TAX YEAR		
2014 and prior	$ 961	$ 1,060
2015	912	787
2016	941	813
2017	1,163	824
2018	1,449	927
2019	2,384	0
2020	2,603	0
2021	3,334	0
2022	4,592	0
2023	7,005	0
2024	21,017	8,407
RECEIVABLE, END OF YEAR	$ 46,361	$ 12,818

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 44

TAXES LEVIED AND RECEIVABLE (Continued)

FOR THE YEAR ENDED JULY 31, 2025

ADJUSTED PROPERTY VALUATIONS AS OF JANUARY 1 OF TAX YEAR	2024	2023	2022	2021
Land	$ 55,227,350	$ 55,062,079	$ 40,282,790	$ 40,232,348
Improvements	196,702,144	191,383,771	189,418,304	147,039,300
Personal property	4,937,168	4,825,035	5,177,513	4,217,682
Less exemptions	(16,927,155)	(27,649,589)	(29,319,437)	(10,989,864)
TOTAL PROPERTY VALUATIONS	$ 239,939,507	$ 223,621,296	$ 205,559,170	$ 180,499,466
TAX RATES PER $100 VALUATION				
Debt service tax rates	$ 0.08000	$ 0.00000	$ 0.00000	$ 0.00000
Maintenance tax rates*	0.20000	0.22000	0.23000	0.24500
TOTAL TAX RATES PER $100 VALUATION	$ 0.28000	$ 0.22000	$ 0.23000	$ 0.24500
TAX ROLLS	$ 671,831	$ 491,967	$ 472,786	$ 442,224
PERCENT OF TAXES COLLECTED TO TAXES LEVIED	95.6 %	98.6 %	99.0 %	99.3 %

*Maximum tax rate approved by voters on November 3, 1981: $0.25

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 44

LONG-TERM DEBT SERVICE REQUIREMENTS, BY YEARS

JULY 31, 2025

	Series 2024		
Due During Fiscal Years Ending July 31	Principal Due March 1	Interest Due September 1, March 1	Total
2026	$ 70,000	$ 117,250	$ 187,250
2027	70,000	114,450	184,450
2028	75,000	111,550	186,550
2029	75,000	108,550	183,550
2030	80,000	105,450	185,450
2031	85,000	102,150	187,150
2032	90,000	98,650	188,650
2033	90,000	95,050	185,050
2034	95,000	91,350	186,350
2035	100,000	87,450	187,450
2036	105,000	83,350	188,350
2037	110,000	79,325	189,325
2038	115,000	75,316	190,316
2039	120,000	70,981	190,981
2040	125,000	66,387	191,387
2041	130,000	61,444	191,444
2042	135,000	56,144	191,144
2043	140,000	50,644	190,644
2044	150,000	44,844	194,844
2045	155,000	38,743	193,743
2046	160,000	32,444	192,444
2047	170,000	25,844	195,844
2048	175,000	18,944	193,944
2049	185,000	11,743	196,743
2050	195,000	4,022	199,022
TOTALS	$ 3,000,000	$ 1,752,075	$ 4,752,075

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 44

ANALYSIS OF CHANGES IN LONG-TERM BONDED DEBT

FOR THE YEAR ENDED JULY 31, 2025

Bond Series:	2024
Interest Rate:	3.50% to 4.125%
Dates Interest Payable:	September 1/ March 1
Maturity Dates:	September 1, 2025/2049
Bonds Outstanding at Beginning of Current Year	$ 3,000,000
Less Retirements	0
Bonds Outstanding at End of Current Year	$ 3,000,000
Current Year Interest Paid	$ 94,261

Bond Descriptions and Original Amount of Issue

Harris County Municipal Utility District No. 44 Unlimited Tax Bonds, Series 2024 ($3,000,000)

Paying Agent/Registrar

BOKF, N.A., Dallas, Texas

Bond Authority	Tax Bonds	Other Bonds	Refunding Bonds
Amount Authorized by Voters:	$ 17,600,000	$	$
Amount Issued:	10,600,000		
Remaining to be Issued:	7,000,000		

Net Debt Service Fund deposits balances as of July 31, 2025:	$225,287
Average annual debt service payment for remaining term of all debt:	190,083

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 44

COMPARATIVE STATEMENTS OF REVENUES AND EXPENDITURES,
GENERAL FUND

FOR YEARS ENDED JULY 31

	AMOUNT					PERCENT OF TOTAL REVENUES				
	2025	2024	2023	2022	2021	2025	2024	2023	2022	2021
REVENUES										
Property taxes	$ 473,608	$ 505,782	$ 465,613	$ 431,786	$ 415,754	27.3 %	27.4 %	27.1 %	27.8 %	27.2 %
Water service	217,081	209,793	178,309	173,043	170,564	12.6	11.4	10.4	11.1	11.2
Sewer service	408,959	418,828	380,440	373,045	373,465	23.7	22.7	22.1	24.0	24.4
Surface water fees	286,230	419,293	448,221	440,885	432,097	16.6	22.8	26.1	28.2	28.3
Sales and Use Taxes	11,622	8,944	7,623	13,368	12,344	0.7	0.5	0.4	0.9	0.8
Penalty	27,509	42,394	33,461	25,778	23,001	1.6	2.3	1.9	1.7	1.5
Interest on surface water chloramine costs	10,849	11,234	11,596	11,937	12,256	0.6	0.6	0.7	0.8	0.8
Interest on prepaid surface water capital contribution	57,087	60,011	62,788	65,422	67,923	3.3	3.3	3.7	4.2	4.4
Interest on deposits and investments	201,387	143,133	121,789	11,679	11,039	11.7	7.8	7.1	0.8	0.7
Other revenues	32,561	22,598	9,123	8,380	10,776	1.9	1.2	0.5	0.5	0.7
TOTAL REVENUES	1,726,893	1,842,010	1,718,963	1,555,323	1,529,219	100.0	100.0	100.0	100.0	100.0
EXPENDITURES										
Service operations:										
Purchased sewer services	151,649	172,287	128,407	123,823	145,410	8.8	9.4	7.5	8.0	9.5
Professional fees	94,628	99,331	81,188	72,849	71,132	5.5	5.4	4.7	4.7	4.7
Contracted services	142,517	161,773	135,690	131,433	113,547	8.3	8.8	7.9	8.5	7.4
Utilities	30,671	28,111	19,334	24,341	20,156	1.8	1.5	1.1	1.6	1.3
Surface water fees	278,454	377,442	393,196	420,657	400,743	16.0	20.5	22.9	26.9	26.1
Repairs, maintenance and other operating expenditures	211,855	144,169	201,372	174,995	251,014	12.3	7.8	11.7	11.3	16.4
Garbage disposal	191,691	191,975	187,266	178,375	178,358	11.1	10.4	10.9	11.4	11.7
Administrative expenditures	84,867	64,522	64,380	48,729	46,884	4.9	3.5	3.7	3.1	3.1
Capital outlay	56,451	18,899	1,232,549	126,995	233,382	3.3	1.0	71.7	8.2	15.3
TOTAL EXPENDITURES	1,242,783	1,258,509	2,443,382	1,302,197	1,460,626	72.0	68.3	142.1	83.7	95.5
EXCESS REVENUES (EXPENDITURES)	$ 484,110	$ 583,501	$ (724,419)	$ 253,126	$ 68,593	28.0 %	31.7 %	(42.1) %	16.3 %	4.5 %
TOTAL ACTIVE RETAIL WATER CONNECTIONS	754	756	754	760	758					
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	740	742	739	745	742					

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 44

COMPARATIVE STATEMENTS OF REVENUES AND EXPENDITURES,
DEBT SERVICE FUND

FOR YEARS ENDED JULY 31

	AMOUNT					PERCENT OF TOTAL REVENUES				
	2025	2024	2023	2022	2021	2025	2024	2023	2022	2021
REVENUES										
Property taxes	$ 187,736	$	$	$	$	84.4 %	%	%	%	%
Penalty and interest	24,465					11.0				
Interest on deposits and investments	10,139	2,022				4.6	100.0			
TOTAL REVENUES	222,340	2,022	0	0	0	100.0	100.0	0.0	0.0	0.0
EXPENDITURES										
Current:										
Professional fees	8,945					4.0				
Contracted services	23,823					10.7				
Other expenditures	7,425					3.3				
Debt service:										
Principal retirement										
Interest and fees	94,461					42.6				
TOTAL EXPENDITURES	134,654	0	0	0	0	60.6	0.0	0.0	0.0	0.0
EXCESS REVENUES (EXPENDITURES)	$ 87,686	$ 2,022	$ 0	$ 0	$ 0	39.4 %	100.0 %	0.0 %	0.0 %	0.0 %

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 44

BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS

JULY 31, 2025

Complete District Mailing Address: Harris County Municipal Utility District No. 44
c/o Sanford Kuhl Hagan Kugle Parker Kahn, LLP
1980 Post Oak Blvd.
Suite 1380
Houston, Texas 77056

District Business Telephone No.: 713-850-9000

Submission date of the most recent District Registration Form: October 7, 2024

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

BOARD MEMBERS

Name and Address	Term of Office (Elected/ Appointed)	Fees of Office Paid	Expense Reimb.	Title at Year End
Rolf Flemming 15602 T. C. Jester Houston, Texas 77068	Elected 5/04/24- 5/06/28	$ 3,978	$ 4,382	President
Tom Sooy 3219 Ivy Falls Houston, Texas 77068	Elected 5/07/22- 5/02/26	3,315	0	Vice President
Darrin Harvey 15130 Walters Road Houston, Texas 77068	Elected 5/07/22- 5/02/26	2,652	0	Asst. Vice President/ Secretary
Robert W. Ramsey 3103 Ivy Falls Houston, Texas 77068	Elected 5/07/22- 5/02/26	2,652	0	Treasurer
Harry Swanstrom 3402 Creekbriar Drive Houston, Texas 77068	Elected 5/04/24- 5/06/28	4,199	3,311	Assistant Secretary

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 44

BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS (Continued)

JULY 31, 2025

CONSULTANTS

Name and Address	Date Hired	Fees and Expense Reimbursements	Title at Year End
Sanford Kuhl Hagan Kugle Parker Kahn, LLP 1980 Post Oak Blvd. Suite 1380 Houston, Texas 77056	5/11/10	$ 73,061	Attorney
Perdue, Brandon, Fielder, Collins & Mott, L.L.P. 1235 North Loop West, Suite 600 Houston, Texas 77008	6/08/00	0	Delinquent Tax Attorney
ETI Bookkeeping Services P.O. Box 73109 Houston, Texas 77273	12/1/22	25,117	Bookkeeper
Water District Management Co. P.O. Box 579 Spring, Texas 77373	9/29/76	289,027	Operator
Langford Engineering, Inc. 1080 West Sam Houston Beltway North Suite 200 Houston, Texas 77043	1/18/06	139,298	Engineer
Equi-Tax, Inc. P.O. Box 73109 Houston, Texas 77273	12/08/83	25,117	Tax Assessor-Collector
Harris County Appraisal District P.O. Box 900275 Houston, Texas 77292	Legislative Action	4,617	Central Appraisal District
R. W. Baird & Co. 1331 Lamar, Suite 1360 Houston, Texas 77010	4/14/15	0	Financial Advisor
Mark C. Eyring, CPA, PLLC 12702 Century Drive, Suite C2 Stafford, Texas 77477	8/16/95	9,925	Independent Auditor