PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 7, 2016

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

IN THE OPINION OF BOND COUNSEL, 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 ALTERNATIVE MINIMUM TAX ON INDIVIDUALS AND CORPORATIONS, EXCEPT FOR CERTAIN ALTERNATIVE MINIMUM TAX CONSEQUENCES FOR CORPORATIONS. SEE "TAX MATTERS" FOR A DISCUSSION OF THE OPINION OF BOND COUNSEL.

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

NEW ISSUE – Book Entry Only **RATING: Moody's (Underlying) .... "__"**

See "MUNICIPAL BOND INSURANCE AND RATING" herein

$3,315,000
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 468
(A Political Subdivision of the State of Texas, located within Harris County)
UNLIMITED TAX PARK BONDS, SERIES 2016

Interest accrues from: October 1, 2016 Due: September 1, as shown below

Interest on the herein described bonds (the "Bonds") will accrue from October 1, 2016, and is payable on March 1, 2017 and on each September 1 and March 1 (each an "Interest Payment Date") thereafter until the earlier of maturity or redemption, and will be calculated on the basis of a 360-day year composed of twelve 30-day months. The Bonds will be issued in fully registered form only, without coupons, in denominations of $5,000 or any integral multiple thereof, and when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York, acting as securities depository for the Bonds until DTC resigns or is discharged. The Bonds initially will be available to purchasers in book-entry form only. So long as Cede & Co., as the nominee of DTC, is the registered owner of the Bonds, principal of and interest on the Bonds will be payable by the paying agent to DTC, which will be solely responsible for making such payment to the beneficial owners of the Bonds. The initial Paying Agent/Registrar for the Bonds is Amegy Bank, a division of ZB, National Association, in Houston, Texas (the "Paying Agent"). The Bonds are obligations solely of the Harris County Municipal Utility District No. 468 (the "District") and are not obligations of Harris County, Texas; the City of Houston; the State of Texas; or any entity other than the District.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND INITIAL REOFFERING YIELDS

Due (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (b)	CUSIP Nos.	Due (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (b)	CUSIP Nos.
2017	$100,000	___%	___%	____	2030(a)	$130,000	___%	___%	____
2018	95,000	___%	___%	____	2031(a)	135,000	___%	___%	____
2019	95,000	___%	___%	____	2032(a)	140,000	___%	___%	____
2020	100,000	___%	___%	____	2033(a)	145,000	___%	___%	____
2021	100,000	___%	___%	____	2034(a)	150,000	___%	___%	____
2022	105,000	___%	___%	____	2035(a)	155,000	___%	___%	____
2023	110,000	___%	___%	____	2036(a)	160,000	___%	___%	____
2024	110,000	___%	___%	____	2037(a)	165,000	___%	___%	____
2025(a)	115,000	___%	___%	____	2038(a)	170,000	___%	___%	____
2026(a)	120,000	___%	___%	____	2039(a)	175,000	___%	___%	____
2027(a)	120,000	___%	___%	____	2040(a)	180,000	___%	___%	____
2028(a)	125,000	___%	___%	____	2041(a)	185,000	___%	___%	____
2029(a)	130,000	___%	___%	____					

(a) The District reserves the right to redeem, prior to maturity, in integral multiples of $5,000, those Bonds maturing on and after September 1, 2025, in whole or from time to time in part, on September 1, 2024, and on any date thereafter at a price of par plus accrued interest from the most recent interest payment date to the date fixed for redemption. See "THE BONDS - Redemption Provisions."

(b) The initial reoffering yields indicated represent the lower of the yields resulting when priced to maturity or the first call date. The initial yields at which the Bonds will be priced will be established by and will be the sole responsibility of the Initial Purchaser. The yields may be changed at any time at the discretion of the Initial Purchaser. Accrued interest from October 1, 2016 to the date of delivery of the Bonds is to be added to the price.

The Bonds constitute the first series of unlimited tax park bonds issued by the District. The Bonds, when issued, will constitute valid and legally binding obligations of the District and will be payable from the proceeds of an annual ad valorem tax, without legal limitation to rate or amount, levied against all taxable property within the District (as defined in the Bond Order). See "THE BONDS - Source of Payment." THE BONDS ARE SUBJECT TO SPECIAL INVESTMENT CONSIDERATIONS DESCRIBED HEREIN. Bond purchasers are encouraged to read this entire Official Statement prior to making an investment decision, including particularly the section titled "INVESTMENT CONSIDERATIONS."

The Bonds are offered by the Initial Purchaser subject to prior sale, when, as and if issued by the District and accepted by the Initial Purchaser, subject, among other things to the approval of the Initial Bond by the Attorney General of Texas and the approval of certain legal matters by Allen Boone Humphries Robinson LLP, Houston, Texas, Bond Counsel. Certain legal matters will be passed upon for the District by Coats Rose, P.C., Houston, Texas, Disclosure Counsel. Delivery of the Bonds is expected on or about October 25, 2016, in Houston, Texas.

BIDS TO BE SUBMITTED: 11:00 A.M., HOUSTON, TEXAS TIME
MONDAY, SEPTEMBER 26, 2016

USE OF INFORMATION IN OFFICIAL STATEMENT

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

This Official Statement does not alone constitute, and is not authorized by the District for use in connection with, an offer to sell or the solicitation of any offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

All of the summaries of the statutes, orders, contracts, records, and engineering and other related reports set forth in the 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 Robert W. Baird & Co. Incorporated for further information.

This Official Statement contains, in part, estimates, assumptions and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates, assumptions, or matters of opinion, or as to the likelihood that they will be realized. Any information and expressions of opinion herein contained are subject to change without notice, and neither the delivery of this "Official Statement" nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District or the 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 the Official Statement During Underwriting Period."

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SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the Bonds, the District has accepted the bid of ________________________________ (the "Initial Purchaser" or "Underwriter") to purchase the Bonds at the interest rates shown on page 1 of this Official Statement at a price of ______% of par plus accrued interest to date of delivery resulting in a net effective interest rate to the District 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

The delivery of the Bonds is conditioned upon the receipt by the District of a certificate executed and delivered by the Initial Purchaser on or before the date of delivery of the Bonds stating the prices at which a substantial amount of the Bonds of each maturity has been sold to the public. For this purpose, the term "public" shall not include any person who is a bond house, broker or similar person acting in the capacity of underwriter or wholesaler. Otherwise, the District has no understanding with the Initial Purchaser regarding the reoffering yields or prices of the Bonds. Information concerning reoffering yields or prices is the sole responsibility of the Initial Purchaser.

The prices and other terms with respect to the offering and sale of the Bonds may be changed from time-to time by the Underwriter after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell the Bonds into investment accounts. In connection with the offering of the Bonds, the 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 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 GUARANTY INSURANCE AND RATING

The District has made an application to Build America Mutual Assurance Company ("BAM"), National Public Finance Guarantee Corporation ("NPFGC") and Assured Guaranty Municipal Corp. ("AGM") for a commitment for municipal bond guaranty insurance on the Bonds. The purchase of such insurance, if available, and payment of all associated costs, including the premium charged by the insurer, and fees charged by rating companies, other than Moody's Investors Service ("Moody's"), will be at the expense of the Underwriter. The District will pay the rating fees charged by Moody's.

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

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. 468 (the "District"), a political subdivision of the State of Texas, is located in Harris County, Texas. See "THE DISTRICT."
Description of the Bonds	Harris County Municipal Utility District No. 468 Unlimited Tax Park Bonds, Series 2016 are in aggregate principal amount of $3,315,000 (the "Bonds"). The Bonds mature on September 1 in the years and amounts set forth on the cover page hereof. Interest accrues from October 1, 2016 at the rates per annum set forth on the cover page hereof and is payable on March 1, 2017 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 – General."
Redemption	Bonds maturing on and after September 1, 2025, are subject to redemption, in whole or from time to time in part, at the option of the District on September 1, 2024, 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".
Source of Payment	Principal and interest on the Bonds are payable from the proceeds of a continuing direct annual ad valorem tax levied upon all taxable property within the District without legal limitation as to rate or amount. **The Bonds are obligations solely of the Harris County Municipal Utility District No. 468 and are not obligations of the State of Texas; Harris County, Texas; the City of Houston, Texas; or any other political subdivision or entity other than the District.** See "THE BONDS - Source of Payment."
Payment Record	The District has never defaulted on the timely payment of principal or interest on its outstanding indebtedness. See "THE BONDS – Payment Record."
Authority for Issuance	The Bonds are issued pursuant to the authority of the Constitution and laws of the State of Texas, particularly Chapters 49 and 54, Texas Water Code, as amended, and an order of the Texas Commission on Environmental Quality (the "TCEQ"). The Attorney General of Texas reviews the transcript of proceedings of issuance of the Bonds, but does not guarantee or pass upon the safety of the Bonds as an investment or upon the adequacy of the information contained in this Preliminary Official Statement. At a bond election held within the District on November 7, 2006, the voters authorized the issuance of $15,000,000 principal amount of unlimited tax bonds for the purpose of park improvements. After the sale of the Bonds, $11,685,000 in principal amount of unlimited tax bonds for park improvements will remain authorized but unissued. See "THE BONDS – Authority for Issuance."

Use of Proceeds .... A portion of the proceeds of the Bonds will be used to finance (i) remaining construction costs for the Vintage Park detention pond/amenity lake expansion and park facilities, (ii) Kickerillo Mischer Preserve Park land acquisition costs, (iii) park master plan costs and (iv) park land appraisal costs. The remaining proceeds of the Bonds will be used to pay issuance costs of the Bonds. See "USE AND DISTRIBUTION OF BOND PROCEEDS."

Bonds Authorized But Unissued .... The Bonds constitute the first series of unlimited tax park bonds issued by the District. On November 7, 2006, the District authorized a total of $15,000,000 principal amount of unlimited tax park bonds for the purposes of constructing and financing park and recreational facilities, $47,200,000 principal amount of unlimited tax bonds for the purpose or purposes of purchasing, constructing or otherwise acquiring a water, wastewater and drainage system (the "System") and $40,000,000 in unlimited tax refunding bonds. Additionally, on November 4, 2008, voters in the District authorized $14,880,000 principal amount of unlimited tax road bonds. Following the issuance of the Bonds, $11,685,000 principal amount of unlimited tax bonds for park and recreational facilities, $11,375,000 principal amount of unlimited tax bonds for the System, $38,830,000 in unlimited tax refunding bonds and $6,230,000 principal amount of unlimited tax bonds for road facilities will remain authorized but unissued. See "THE BONDS – Authority for Issuance."

Remaining Outstanding Bonds .... The following bonds have been previously issued by the District for the purpose of acquiring or constructing the System: $15,100,000 Unlimited Tax Bonds, Series 2008 (the "Series 2008 System Bonds), $4,265,000 Unlimited Tax Bonds, Series 2010 (the "Series 2010 System Bonds"), $4,135,000 Unlimited Tax Bonds, Series 2011 (the "Series 2011 System Bonds"), $4,630,000 Unlimited Tax Bonds, Series 2013 (the "Series 2013 System Bonds") and $7,335,000 Unlimited Tax Bonds, Series 2014 (the "Series 2014 System Bonds"). Excluding the Bonds, $19,675,000 principal amount of bonds originally issued shall remain outstanding (the "Remaining Outstanding System Bonds"). The following bonds have been previously issued by the District for road improvements: $5,370,000 Unlimited Tax Road Bonds, Series 2014 (the "Series 2014 Road Bonds"), $1,295,000 Unlimited Tax Road Bonds, Series 2015 (the "Series 2015 Road Bonds") and $1,985,000 Unlimited Tax Bonds, Series 2015A (the "Series 2015A Bonds"). Excluding the Bonds, $8,550,000 principal amount of bonds originally issued shall remain outstanding (the "Remaining Outstanding Road Bonds"). The following bonds have been previously issued for refunding purposes: $13,215,000 Unlimited Tax Refunding Bonds, Series 2015 (the "Series 2015 System Refunding Bonds"). Excluding the Bonds, $12,880,000 principal amount of bonds originally issued shall remain outstanding (the "Remaining Outstanding Refunding Bonds"). The Remaining Outstanding System Bonds, the Remaining Outstanding Road Bonds and the Remaining Outstanding Refunding Bonds are collectively referred to herein as the "Remaining Outstanding Bonds." See "THE BONDs – Outstanding Bonds."

Qualified Tax-Exempt Obligations .... The District has designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b) of the Internal

Revenue Code of 1986, as amended. See “TAX MATTERS – Qualified Tax-Exempt Obligations for Institutions.”

Municipal Bond Insurance and Rating	Applications have been made for a commitment for municipal bond guaranty insurance on the Bonds. The purchase of such insurance, if available, and payment of all associated costs, including the premium charged by the insurer, and fees charged by any rating companies, other than Moody’s, will be at the option of the Underwriter. Moody’s has assigned an underlying rating of "___" to the Bonds. See "MUNICIPAL BOND INSURANCE AND RATING."
General & Bond Counsel	Allen Boone Humphries Robinson LLP, Houston, Texas.
Disclosure Counsel	Coats Rose, P.C., Houston, Texas.
Financial Advisor	Robert W. Baird & Co. Incorporated, Houston, Texas.
District Engineer	Brown & Gay Engineers, Inc., Houston, Texas.

THE DISTRICT

The Issuer	Harris County Municipal Utility District No. 468 (the "District") was created by the Texas Commission on Environmental Quality (the "TCEQ") on August 15, 2006, for the purpose of providing, operating, and maintaining water distribution, wastewater collection and storm drainage facilities serving land within the District. The District operates pursuant to Chapters 49 and 54 of the Texas Water Code pursuant to Article XVI, Section 59 of the Texas Constitution. The District contains approximately 529 acres, is located entirely within Harris County and entirely within the extraterritorial jurisdiction of the City of Houston. See "THE DISTRICT – General."
Location	The District is located in northwest Harris County, approximately 20 miles northwest of the City of Houston (the "City") central business district and is located entirely within the extraterritorial jurisdiction of the City. The District lies approximately 2 miles north of the intersection of Cypresswood Dr. and Texas State Highway 249, and approximately 4 miles south of the Grand Parkway. The District is generally bordered on the north by Louetta Road, on the south by Cypress Creek and on the west by State Highway 249. The eastern boundary of the District is approximately aligned parallel with and one mile east of State Highway 249. The District can be accessed by Texas State Highway 249 or by Cutten Road. See "LOCATION MAP."
Developers	Approximately 445 acres in the District originally were acquired by V&W Partners, Ltd., a Texas limited partnership ("V&W" or the "Developer") whose primary business is the investment and development of property located within and adjacent to the District. The general partner of V&W is V&W Management, L.L.C. whose members are Mischer Investments, L.P., a Texas limited partnership ("MILP"), and Kickerillo Building Company, a Texas limited partnership ("KBC"). The controlling interest in MILP is owned directly or indirectly by members of the Mischer family. The controlling interest in KBC is owned directly or indirectly by members of the Kickerillo family. Approximately 84 acres were originally purchased by Vintage Lakes Center, L.P., a Texas limited partnership ("Vintage Lakes Center"), whose general partner,

Vintage Lakes Center Management, L.L.C. is controlled by the V&W Partners, and Interfin Vintage Lakes LP. Of the 84 acres, 40 acres have been developed into the 340,000 square foot Vintage Park retail center, which was acquired by Vintage Dunhill LLC ("Vintage Dunhill") in 2012. Vintage Dunhill is ultimately controlled by Dunhill Partners. Dunhill Partners is a commercial real estate brokerage and investment firm located in Dallas, Texas. Currently, Dunhill Partners owns and manages over 4 million square feet of retail properties. Additionally, approximately 16 acres were purchased by entities (Vintage Marketplace, Ltd and Vintage Marketplace II, Ltd.) owned and controlled by Read King Commercial Real Estate ("Read King"). See "THE DEVELOPERS."

Development within the District .... Development commenced within the District in June, 2005. As of August 1, 2016, the following commercial and retail improvements have been completed: a 342,000 square foot ("sf") retail center known as Vintage Park (41 acres) (of which approximately 95% is leased); an HEB grocery store (15 acres); a 34,000 sf medical office building (3.7 acres) (approximately 95% leased); a 72,000 sf Kelsey-Seybold Clinic (10.0 acres); an Amegy Bank (0.8532 acres), a Trustmark Bank (0.7235 acres), a Comerica Bank (0.8510 acres); a Compass Bank (0.8655 acres); a 123-room Westin Hotel (2.7 acres); a 130-room Hyatt Place Hotel (2.43 acres); Vintage Carwash (2.0 acres); St. Luke's Hospital (28 acres); First Texas Hospital (3.0 acres); a Black Walnut restaurant (0.87 acres); Reliant Rehab Hospital with 60 beds (4.0 acres); Sueba USA has completed a 362-unit apartment complex (24.9 acres) known as San Cierra, a 277-unit apartment complex (8.65 acres) known as San Antigua and a 241-unit apartment complex (8.78 acres) known as San Marino; McCann Realty has completed a 322-unit (13.86 acres) Retreat at Vintage Park apartments; U.S. Memory Care, LLC and America Development have completed a 70-unit assisted living and memory care facility (4.49 acres); and Brookdale Senior Living Solutions has completed The Solana Preserve at Vintage Park apartments (3.08 acres) and The Solana at Vintage Park (2.80 acres). Approximately 8 acres have been developed by Vintage Marketplace, Ltd (an entity owned and controlled by Read King) as a retail shopping center including a Whole Foods Market. In addition to Whole Foods, over 90% of the first phase of development has been leased consisting of: Jersey Mike's Subs, Verts (Berlin inspired Kebap), Hand and Stone (Massage and Facial Spa), Nothing Bundt Cakes, Lovett Dental, Orange Theory Fitness, MOD Pizza, Torchy's Tacos, Pei Wei, Kriser's Natural Pet Store, 2 nail salons and a Sport Clips. Single-family and townhome development consists of 64.51 acres known as the developments of Vintage Royale and Vintage Di Vita. Development within Vintage Royale consists of Section 1 (39.62 acres – 94 townhome lots and 100 single-family lots), Section 2 (8.175 acres – 43 single-family lots), Section 3 (0.8791 acres – 14 townhome lots), and Section 4 (3.027 acres – 15 single-family lots). As of January 1, 2016, Vintage Royale (54.31 acres) has completed all 108 townhomes and all 158 single-family homes. Development in Vintage di Vita consists of 90 townhome lots on 10.2 acres. Vintage di Vita (10.2 acres) has 90 completed townhomes. The remaining land within the District consists of approximately 71.9 undeveloped but developable acres (utilities are available up to the perimeters), 110.2733 undevelopable acres (comprising detention, plant sites, roads, pipelines and right of ways) and 81.8 acres for Kickerillo Mischer Preserve Park. See "DEVELOPMENT WITHIN THE DISTRICT."

INVESTMENT CONSIDERATIONS

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

SELECTED FINANCIAL INFORMATION

(UNAUDITED)

2016 Assessed Valuation (100% of taxable value as of January 1, 2016)		$552,834,443	(a)
Direct Debt:			
Outstanding Bonds (as of July 31, 2016)		$ 41,105,000	
The Bonds		3,315,000	
Total		$ 44,420,000	
Estimated Overlapping Debt		$ 34,859,973	(b)
Total Direct and Estimated Overlapping Debt		$ 79,279,973	
Debt Service Fund Balance (as of August 3, 2016)		$ 4, 819,066	(c)
Construction Fund Balance (as of August 3, 2016)		$ 375,035	
Operating Fund Balance (as of August 3, 2016)		$ 2,464,459	
Direct Debt Ratios:			
As a percentage of 2016 Assessed Valuation		8.03 %	
Direct and Estimated Overlapping Debt Ratios:			
As a percentage of 2016 Assessed Valuation		14.34 %	
2015 Tax Rate			
WS&D Debt Service	$0.470		
Road Debt Service	0.120		
Maintenance & Operation	0.150		
Total		$0.740	
Projected Average Annual Debt Service Requirements of the Bonds and Outstanding Bonds (2016-2038)		$ 2,677,773	(d)
Projected Maximum Annual Debt Service Requirements of the Bonds and Outstanding Bonds (2031)		$ 3,279,036	(d)
Tax Rate per $100 of Assessed Valuation Required to Pay Projected Average Annual Debt Service Requirements on the Bonds and Outstanding Bonds (2016-2038) at 95% Tax Collections Based Upon 2016 Assessed Valuation ($552,834,443)		$0.51	
Tax Rate per $100 of Assessed Valuation Required to Pay Projected Maximum Annual Debt Service Requirements on the Bonds and Outstanding Bonds (2031) at 95% Tax Collections Based Upon 2016 Assessed Valuation ($552.834.443)		$0.63	

(a) Certified Taxable Assessed Value within the District as provided by the Harris County Appraisal District ("HCAD"). All property located in the District is valued on the tax rolls by the Appraisal District at 100% of estimated market value as of January 1 of each year. Includes $16,001,570 of uncertified value.

(b) See “DISTRICT FINANCIAL DATA – Estimated Overlapping Debt Statement.”

(c) 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 at an average interest rate of 4.50%. See “DISTRICT DEBT – Debt Service Requirement.”

OFFICIAL STATEMENT
relating to
$3,315,000

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 468
(A Political Subdivision of the State of Texas Located in Harris County, Texas)

UNLIMITED TAX PARK BONDS, SERIES 2016

INTRODUCTION

This Official Statement provides certain information in connection with the issuance by Harris County Municipal Utility District No. 468 (the "District") of its $3,315,000 Unlimited Tax Park Bonds, Series 2016 (the "Bonds").

The Bonds are issued pursuant to (i) the Bond Resolution ("Bond Resolution") adopted by the Board of Directors on the date of the sale of the Bonds, (ii) the Constitution and general laws of the State of Texas, particularly Chapter 1112, Acts of the 83rd Legislature of the State of Texas, Regular Session 2013 (codified as Chapter 3916, Special District Local Laws Code) (the "District Act"), and (iii) an election held within the District.

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

Included in this 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 Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027 or during the offering period from the District's Financial Advisor, Robert W. Baird & Co. Incorporated, Attn: Jan Bartholomew, 1331 Lamar, Suite 1360, Houston, Texas 77010 upon payment of reasonable copying, mailing and handling charges.

THE BONDS

General

The $3,315,000 Harris County Municipal Utility District No. 468 Unlimited Tax Park Bonds, Series 2016, will bear interest from October 1, 2016, and will mature on September 1 of the years and in the principal amounts, and will bear interest at the rates per annum, set forth on the cover page hereof. Interest on the Bonds will be paid on March 1, 2017, and on each September 1 and March 1 (each an "Interest Payment Date") thereafter until maturity or earlier redemption and will be calculated on the basis of a 360-day year composed of twelve 30-day months. The Bonds will be issued in fully registered form only, without coupons, in the denomination of $5,000 or any integral multiple thereof, and when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York, acting as securities depository for the Bonds until DTC resigns or is discharged. The Bonds initially will be available to purchasers in book-entry form only. So long as Cede & Co., as the nominee of DTC, is the registered owner of the Bonds, principal of and interest on the Bonds will be payable by the paying agent to DTC, which will be solely responsible for making such payment to the beneficial owners of the Bonds. The initial paying agent/registrar for the Bonds is Amegy Bank, a division of ZB, Houston, Texas (the "Paying Agent/Registrar," "Paying Agent," or "Registrar").

Redemption Provisions

The Bonds maturing on and after September 1, 2025, are subject to redemption prior to maturity at the option of the District, in whole or from time to time in part, on September 1, 2024, and on any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest from the most recent payment date to the date fixed for redemption.

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

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

Registration, Transfer and Exchange

In the event the Book-Entry-Only System should be discontinued, the Bonds may be transferred and exchanged on the registration books of the Registrar only upon presentation and surrender thereof to the Registrar or its corporate trust office and such transfer or exchange shall be without expenses or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. A Bond may be assigned by the execution of an assignment form on the Bonds or by other instrument of transfer and assignment acceptable to the Registrar. A new Bond or Bonds will be delivered by the Registrar, in lieu of the Bonds being transferred or exchanged, at the principal payment office of the Registrar, or sent by the United States mail, first class, postage prepaid, to the new registered owner or his designee. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the registered owner or assignee of the registered owner in not more than three business days after the receipt of the Bonds to be cancelled, and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Registrar. New Bonds registered and delivered in an exchange or transfer shall be in any integral multiple of $5,000 for any one maturity and for a like aggregate principal amount as the Bond or Bonds surrendered for exchange or transfer. See "Book-Entry-Only System" herein defined for a description of the system to be utilized initially in regard to ownership and transferability of the Bonds.

Mutilated, Lost, Stolen or Destroyed Bonds

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

Replacement of Paying Agent

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

Source of Payment

While the Bonds or any part of the principal thereof or interest thereon remain outstanding and unpaid, the district covenants to levy and annually assess and collect in due time, form and manner, and at the same time as other District taxes are assessed, levied and collected, in each year, beginning with the current year, a continuing direct annual ad valorem tax, without legal limit as to rate or amount, upon all taxable property in the District sufficient to pay the interest on the Bonds as the same becomes due and to pay each installment of the principal of the Bonds as the same matures, with full allowance being made for delinquencies and cost of collection. In the Bond Order, the District covenants that said taxes are irrevocably pledged to the payment of the interest and principal of the Bonds. The Bonds are obligations of the District and are not the obligations of the State of Texas; Harris County, Texas; the City of Houston, Texas; or any other political subdivision or any entity other than the District.

The District will maintain a Water, Sewer and Drainage Debt Service Fund that is pledged to the Bonds. The District also maintains a Road Bond Debt Service Fund that is not pledged to the Bonds. Funds in the Road Bond Debt Service Fund are not available to pay principal and interest on the Bonds.

Payment Record

The Bonds represent the first series of unlimited tax park bonds issued by the District. The District has never defaulted on the timely payment of principal or interest on its outstanding indebtedness. The first year of interest is being set aside from the proceeds of the Bonds.

Authority for Issuance

The Bonds constitute the first series of unlimited tax park bonds issued by the District for the purpose of constructing park and recreational facilities. On November 7, 2006, voters in the District authorized $15,000,000 principal amount of unlimited tax bonds for the purpose of purchasing and constructing recreational facilities $47,200,000 principal amount of unlimited tax bonds for the purpose or purposes of purchasing, constructing or otherwise acquiring a water, wastewater and drainage system (the “System”) for the District and $40,000,000 in unlimited tax refunding bonds. Additionally, on November 4, 2008, voters in the District authorized $14,880,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring certain road facilities. See “Issuance of Additional Debt” below.

By adoption of a TCEQ order, the TCEQ authorized the District to sell the Bonds as summarized in “USE AND DISTRIBUTION OF BOND PROCEEDS.”

The Bonds are issued pursuant to the Bond Resolution, Chapters 49 and 54 of the Texas Water Code; as amended, an election held on November 7, 2006, and Article XVI, Section 59 of the Texas Constitution.

Issuance of Additional Debt

The District may issue additional bonds. The District’s voters have authorized the issuance of $15,000,000 in unlimited tax park bonds for recreational facilities, $47,200,000 of unlimited tax bonds for water, wastewater and drainage facilities, $14,880,000 in unlimited tax road bonds for road facilities and $40,000,000 principal amount of unlimited tax refunding bonds. Any additional bonds sold would be on a parity with or subordinate to the Bonds. Following issuance of the Bonds, $11,685,000 principal amount of unlimited tax bonds for park and recreational facilities, $11,375,000 principal amount of unlimited tax bonds for the System, $6,230,000 principal amount of unlimited tax bonds for road facilities and $38,830,000 in unlimited tax refunding bonds will remain authorized but unissued.

The Bond Order imposes no limitation on the amount of additional parity bonds which may be authorized for issuance by the District’s voters or the amount ultimately issued by the District. See "INVESTMENT CONSIDERATIONS - Future Debt."

The District is also authorized by statute to engage in fire-fighting activities, including the issuance of bonds payable from taxes for such purpose. Before the District could issue fire-fighting bonds payable from taxes, the following actions would be required: (a) authorization of a detailed master plan and bonds for such purpose by the qualified voters in the District; (b) approval of the master plan and issuance of bonds by the Texas Commission on Environmental Quality (“TCEQ”); and (c) approval of such bonds by the Attorney General of Texas. The Board has not considered calling an election for purposes of authorization of a detailed master plan and issuance of bonds for fire-fighting activities at this time. Issuance of bonds for fire-fighting activities could dilute the investment security for the Bonds.

Registered Owners' Remedies

In the event of default in the payment of principal of or interest on the Bonds, the registered owners have the right to seek a writ of mandamus, requiring the District to levy adequate taxes each year to make such payments. Except for mandamus, the Bond Order does not specifically provide for remedies to protect and enforce the interest 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. See "INVESTMENT CONSIDERATIONS – Limitation to Registered Owners Remedies."

Bankruptcy Limitation to Registered Owners’ Rights

The enforceability of the rights and remedies of Registered Owners 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. Texas law requires a district, such as the District, to obtain the approval of the TCEQ as a condition to seeking relief under the Federal Bankruptcy Code.

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

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

The District may not be placed into bankruptcy involuntarily.

Legal Investment and Eligibility to Secure Public Funds in Texas

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

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

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

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

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

Defeasance

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

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

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

BOOK-ENTRY-ONLY SYSTEM

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 ("DTC"), New York, New York, 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 believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

The District cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (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, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company ("DTC"), New York NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be required by an authorized representative of DTC. One fully-registered Security certificate will be issued for each of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If however, the aggregate principal amount of any issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

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"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchase of each Security ("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 Securities 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 Securities, except in the event that use of the book-entry system for the Securities in discontinued. To facilitate subsequent transfers, all Securities 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 Securities 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 Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

Redemption notices shall be sent to DTC. If less than all of the Securities 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 Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issue as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to Tender/Remarketing Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records to Tender/Remarketing

Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to Tender/Remarketing Agent's DTC account.

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

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

The information in the section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer 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 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.

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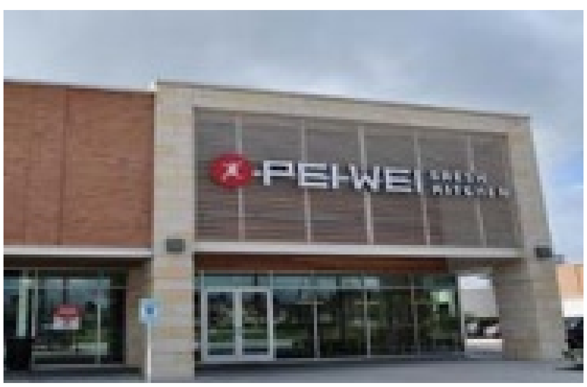
USE AND DISTRIBUTION OF BOND PROCEEDS

A portion of the proceeds of the Bonds will be used to finance (i) remaining construction costs for the Vintage Park detention pond/amenity lake expansion and park facilities, (ii) Kickerillo Mischer Preserve Park land acquisition costs, (iii) park master plan costs and (iv) park land appraisal costs. The remaining proceeds of the Bonds will be used to pay issuance costs of the Bonds.

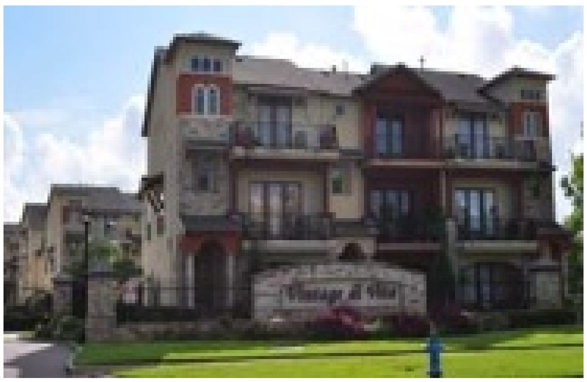
CONSTRUCTION COSTS	Amount
A. Developer Items	
1. Vintage Park Detention Pond/Amenity Lake Expansion	$ 562,898
2. Storm Water Pollution Prevention	15,895
3. Engineering and Material Testing	117,958
Total Developer Contribution Items	696,751
B. District Items	
1. Land cost for Kickerillo Mischer Preserve	2,070,000
2. Park land appraisal	$ 5,000
Total District Contribution Items	2,075,000
TOTAL CONSTRUCTION COSTS	**$ 2,771,751**
NONCONSTRUCTION COSTS	
A. Legal Fees	$ 97,875
B. Fiscal Agent Fees	66,300
C. Developer Interest	187,690
D. Bond Discount (3.00%)	99,450
E. Bond Issuance Expenses	40,092
F. Bond Application Report Costs	30,000
G. Park Master Plan Costs	10,239
H. Attorney General Fee (0.1% of BIR)	3,315
I. TCEQ Bond Issuance Fee	8,288
TOTAL NONCONSTRUCTION COSTS	**$ 543,249**
TOTAL BOND ISSUE REQUIREMENT	**$ 3,315,000**

The Engineer and others have advised the District that the proceeds of the sale of the Bonds should be sufficient to cover the costs of the above-described facilities. However, the District cannot and does not guarantee the sufficiency of such funds for such purposes.

PHOTOGRAPHS TAKEN WITHIN THE DISTRICT
(Taken September, 2016)



PHOTOGRAPHS TAKEN WITHIN THE DISTRICT
(Taken September, 2016)



AERIAL PHOTOGRAPH OF THE DISTRICT
(Taken September, 2016)

THE DISTRICT

General

The District is a limited-purpose political subdivision of the State of Texas operating as a municipal utility district pursuant to Article XVI, Section 59 of the Texas Constitution. The District is vested with all the rights, privileges, authority and functions conferred by the laws of the State of Texas applicable to municipal utility districts, including without limitation those conferred by Chapters 49 and 54, Texas Water Code, as amended. The District is empowered 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, among other things. The District is also empowered to finance certain road improvements, those shown in the County thoroughfare plan. The District may also provide solid waste collection and disposal service and operate and maintain recreational facilities. The District may operate and maintain a fire department, independently or with one or more other conservation and reclamation districts, if approved by the voters and the TCEQ. The District does not operate and/or maintain a fire department. The District is subject to the continuing supervision of the TCEQ.

Location

The District encompasses 529.14 acres and is located in northwest Harris County approximately 20 miles northwest of the City of Houston (the "City") central business district and is located entirely within the extraterritorial jurisdiction of the City. The District lies approximately 2 miles north of the intersection of Cypresswood Dr. and Texas State Highway 249. The District is generally bordered on the north by Louetta Road, on the south by Cypress Creek and on the west by Texas State Highway 249 and is approximately 4 miles south of the Grand Parkway. The eastern boundary of the District is approximately aligned parallel with and one mile east of Texas State Highway 249. The District can be accessed by State Highway 249 or by Cutten Road. See "LOCATION MAP."

Management of the District

- Board of Directors -

The District is governed by a board, consisting of five directors, which has control over and management supervision of all affairs of the District. Directors' terms are four years with elections held within the District in May in each even numbered year. All of the directors own property in the District.

Name	Position	Term Expires May
Kenneth P. Carter	President	2020
Lawrence Kupstas	Vice President	2018
Robert Moore	Secretary/Treasurer	2018
William T. Evans	Assistant Vice President	2020
Blair M. Frederick	Assistant Secretary	2020

- Consultants -

Tax Assessor/Collector - Land and improvements in the District are being appraised by the Harris County Appraisal District. The Tax Assessor/Collector for the District is Tax Tech, Inc.

Bookkeeper - The District contracts with Avanta Accounting Services as Bookkeeper for the District.

Engineer - The District's consulting engineer is Brown & Gay Engineers, Inc. (the "Engineer").

Auditor - As required by the Texas Water Code, the District retains an independent auditor to audit the District's financial statements annually, which annual audit is filed with the TCEQ. A copy of the District's audit prepared by McGrath & Co., PLLC for the fiscal year ended May 31, 2015 and a copy of the District's Management Response letter is included as "APPENDIX A" to this Official Statement. The District has engaged McGrath & Co., PLLC for the fiscal year ended May 31, 2016.

Financial Advisor – Robert W. Baird & Co. Incorporated ("the "Financial Advisor") is employed as Financial Advisor to the District in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. The Financial Advisor is 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.

Bond & General Counsel - The District has engaged Allen Boone Humphries Robinson LLP, Houston, Texas, as Bond Counsel in connection with the issuance of the District's Bonds. The fees of Bond Counsel are contingent upon the sale of and delivery of the Bonds. Allen Boone Humphries Robinson LLP, Houston, Texas, also serves as the District's general counsel.

THE DEVELOPERS

The Role of a Developer

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

Description of the Developers

Each of the developers in this subsection is collectively referred to herein as the "Developers."

- V&W Partners, Ltd. -

The principal developer of land within the District is V&W Partners, Ltd., a Texas limited partnership ("V&W") whose primary business is the investment and development of property located within and adjacent to the District. The general partner of V&W is V&W Management, L.L.C., whose members are Mischer Investments, L.P., a Texas limited partnership ("MILP"), and Kickerillo Building Company, a Texas limited partnership ("KBC"). The controlling interest in MILP is owned directly or indirectly by members of the Mischer family. The controlling interest in KBC is owned directly or indirectly by members of the Kickerillo family. V&W originally acquired approximately 445 acres in the District, all of which has been developed.

- Vintage Royale -

In 2010, Provident Realty purchased the partially developed subdivision of Vintage Royale, which lies on 54 acres in the District. Development of Vintage Royale consists of single-family homes and townhouses. As of September 1, 2016, all 108 townhouse units have been completed and all 158 single family homes have been completed. Single-family homes were being marketed in the $170,000 - $350,000 price range and townhomes were being marketed beginning at $140,000.

- Vintage di Vita -

In 2007, Centex Homes (now Pulte Homes) purchased 10.24 acres and developed 90 townhomes.

- Vintage Dunhill LLC -

Vintage Dunhill LLC ("Vintage Dunhill") purchased the Vintage Park retail center from a previous developer in March, 2012. Vintage Dunhill is ultimately controlled by Dunhill Partners. Dunhill Partners is a commercial real estate brokerage and investment firm located in Dallas, Texas. Currently, Dunhill Partners owns and manages over 4 million square feet of retail properties. The Vintage Park retail center consists of 16 buildings including approximately 342,000 square feet of ground floor retail and medical space and 24,000 square feet of 2nd story office space. H-E-B Vintage Market anchors the center.

- Read King Commercial Real Estate-

Read King Commercial Real Estate ("Read King") purchased two tracts in the District totaling approximately 16 acres. Vintage Marketplace, Ltd., which is owned and operated by Read King, developed approximately 8 acres as a retail center, anchored by a Whole Food Market. Subsequently, Read King sold a majority interest in Vintage Marketplace, Ltd. Vintage Marketplace II, Ltd., which is owned and operated by Read King, owns an additional 8 acres, with plans to develop a portion of such land.

DEVELOPMENT WITHIN THE DISTRICT

Current Status of Development

Development commenced within the District in June, 2005. As of August 1, 2016, the following commercial and retail improvements have been completed: a 342,000 square foot ("sf") retail center known as Vintage Park (41 acres) (of which approximately 95% is leased); an HEB grocery store (15 acres); a 34,000 sf medical office building (3.7 acres) (approximately 95% leased); a 72,000 sf Kelsey-Seybold Clinic (10.0 acres); an Amegy Bank (0.8532 acres), a Trustmark Bank (0.7235 acres), a Comerica Bank(0.8510 acres); a Compass Bank (0.8655 acres); a 123-room Westin Hotel (2.7 acres); a 130-room Hyatt Place Hotel (2.43 acres); Vintage Carwash (2.0 acres); St. Luke's Hospital (28.0 acres); First Texas Hospital (3.0 acres); a Black Walnut restaurant (0.87 acres); Reliant Rehab Hospital with 60 beds (4.0 acres); Sueba USA has completed a 362-unit apartment complex (24.9 acres) known as San Cierra, a 277-unit apartment complex (8.65 acres) known as San Antigua and a 241-unit apartment complex (8.7 acres) known as San Marino; McCann Realty has completed a 322-unit (13.86 acres) Retreat at Vintage Park apartments; U.S. Memory Care, LLC and America Development have completed a 70-unit assisted living and memory care facility (4.49 acres) known as U.S. Memory Care, and Brookdale Senior Living Solutions has completed The Solana Preserve at Vintage Park apartments (3.08 acres) and The Solana at Vintage Park (2.80 acres). Approximately 8 acres have been developed by Vintage Marketplace, Ltd (an entity owned and controlled by Read King) as a retail shopping center including a Whole Foods Market. In addition to Whole Foods, over 90% of the first phase of development has been leased consisting of: Jersey Mike's Subs, Verts (Berlin inspired Kebap), Hand In Stone (Massage and Facial Spa), Nothing Bundt Cakes, Lovett Dental, Orange Theory Fitness, MOD Pizza, Torchy's Tacos, Kriser's Natural Pet Store, a nail salon and a Sport Clips. Single-family and townhome development consists of 64.51 acres known as the developments of Vintage Royale and Vintage Di Vita. Development within Vintage Royale consists of Section 1 (39.62 acres – 94 townhome lots and 100 single-family lots), Section 2 (8.175 acres - 43 single-family lots), Section 3 (0.8791 acres - 14 townhome lots), and Section 4 (3.027 acres – 15 single-family lots). As of January 1, 2016, Vintage Royale (54.31 acres) all 108 townhomes have been completed and all 158 single-family homes have been completed. Development in Vintage di Vita consists of 90 townhome lots on 10.2 acres. Vintage di Vita has 90 completed townhomes. The remaining land within the District consists of approximately 71.9 undeveloped but developable acres (utilities are available up to the perimeters), 110.2733 undevelopable acres (comprising detention, plant sites, roads, pipelines and right of ways) and 81.8 acres for the Kickerillo Mischer Preserve Park.The following is a detailed description of the improvements within the District.

Kelsey Seybold Clinic – 72,000 sf comprehensive multi-specialty care facility with more than 20 physicians complemented by services including on-site Magnetic Resonance Imaging (MRI), Computerized Tomography (CT), digital X-ray and mammography services, laboratory and pharmacy, for a one-stop healthcare experience. Complete and open for business.

St. Luke's Episcopal Hospital - St. Luke's purchased 28 acres at the end of 2007. The hospital opened in late 2010. The St. Luke's hospital has 106 beds and comprises approximately 212,000 square feet. Under its current ownership structure, the St. Luke's Hospital is subject to ad valorem taxation under state law. The District can make no representation as to whether the hospital owner may change its corporate structure to allow the property to be exempt from ad valorem taxation or may sell the hospital to another owner that would cause the property to be exempt from ad valorem taxation.

Sueba Apartments – Sueba USA Corporation has developed three (3) apartment complexes in the District. The San Cierra apartments consist of 362 apartment units, a leasing office, clubroom, fitness center and pool, the San Antigua apartments consist of 277 apartment units, a leasing office, clubroom, fitness center, dog park, two (2) pools, conference center and coffee bar, and the San Marino apartments consists of 241 apartment units, a leasing office, clubroom, internet café, Starbucks coffee bar, fitness center, spa, dog park and a pool.

Medical Office Building – A 34,000 sf medical office building developed by Louetta Cutten LP is complete and open. Tenants include Allergy & Asthma Associates, Brassell Eyecare, Houston Center for Maternal – Fetal Medicine, Champions Women's Center, Venetian Laser & Skincare, and First Choice Emergency Room.

Reliant Rehabilitation Hospital – In 2012, Reliant Northwest Houston constructed a 65,000 square foot building with 60 private rehabilitation rooms all with flat screen televisions, oversized showers and bathrooms, personal desks, and wood floors.

U.S. Memory Care of Houston – An assisted living and memory care facility that offers residents apartment style amenities with access to 24-hour personalized care and supervision.

First Texas Hospital – A full-service boutique hospital.

Hyatt Place Vintage – A 130-room Pride Management, Inc. hotel that is set to open January 3, 2017.

The Solana at Vintage Park – An assisted living facility specializing in Alzheimer's and dementia care services developed by Brookdale Senior Living Solutions. This community consists of a fitness center, concierge service, an arts and crafts studio, walking paths, a beauty salon, pharmacy and therapy room.

The Solana Preserve at Vintage Park – An assisted living facility that offers residents independent living accommodations and resort-style amenities and services.

Future Development

Approximately 71.9 acres of developable land remain undeveloped. All of such land has water and sanitary sewer trunk lines to the perimeter. Additional water, sanitary sewer and drainage improvements may be necessary depending upon how such land is developed. The District can make no representation that any future development will occur within the District. In the event that future development does occur within the District, it is anticipated that the development costs will be financed through the sale of future bond issues.

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PROJECTED DEBT SERVICE REQUIREMENTS

The following schedule sets forth the principal and interest requirements on the Outstanding Bonds and the Bonds, assuming an estimated interest rate of 3.00% on the Bonds.

		Plus: The Bonds		
Year Ending 12/31	Total Outstanding Debt Service	Principal due 9/1	Interest	Total Debt Service
2016	$ 2,178,903	$ -	$ -	$ 2,178,903
2017	2,873,008	100,000	91,163	3,064,170
2018	2,897,158	95,000	96,450	3,088,608
2019	2,914,255	95,000	93,600	3,102,855
2020	2,924,240	100,000	90,750	3,114,990
2021	2,940,863	100,000	87,750	3,128,613
2022	2,972,550	105,000	84,750	3,162,300
2023	2,976,038	110,000	81,600	3,167,638
2024	3,001,135	110,000	78,300	3,189,435
2025	3,003,079	115,000	75,000	3,193,079
2026	3,018,334	120,000	71,550	3,209,884
2027	3,035,130	120,000	67,950	3,223,080
2028	3,041,790	125,000	64,350	3,231,140
2029	3,065,263	130,000	60,600	3,255,863
2030	3,082,968	130,000	56,700	3,269,668
2031	3,091,236	135,000	52,800	3,279,036
2032	2,178,111	140,000	48,750	2,366,861
2033	1,396,663	145,000	44,550	1,586,213
2034	1,409,675	150,000	40,200	1,599,875
2035	1,420,100	155,000	35,700	1,610,800
2036	1,432,588	160,000	31,050	1,623,638
2037	1,431,388	165,000	26,250	1,622,638
2038	1,128,188	170,000	21,300	1,319,488
2039		175,000	16,200	191,200
2040		180,000	10,950	190,950
2041		185,000	5,550	190,550
	$57,412,658	$3,315,000	$1,433,813	$62,161,470

Estimated Average Annual Requirements - (2016-2038) .... $ 2,677,773
Estimated Maximum Annual Requirement - (2031) .... $ 3,279,036

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DISTRICT FINANCIAL DATA

(UNAUDITED)

Assessed Value

2016 Assessed Valuation (100% of assessed value as of January 1, 2016)	$552,834,443	(a)
Direct Debt:		
Outstanding Bonds (as of July 31, 2016)	$ 41,105,000	
The Bonds	3,315,000	
Total	$ 44,420,000	
Estimated Overlapping Debt	$ 34,859,973	(b)
Total Direct and Estimated Overlapping Debt	$ 79,279,973	
Debt Service Fund Balance (as of August 3, 2016)	$ 4,819,066	(c)
Construction Fund Balance (as of August 3, 2016)	$ 375,035	
Operating Fund Balance (as of August 3, 2016)	$ 2,464,459	
Ratio of Direct Debt to……. 2016 Assessed Valuation	8.03	%
Ratio of Direct and Estimated Overlapping Debt to…….. 2016 Assessed Valuation	14.34	%

(a) Certified Taxable Assessed Value within the District as provided by the Harris County Appraisal District ("HCAD"). All property located in the District is valued on the tax rolls by the Appraisal District at 100% of estimated market value as of January 1 of each year. Includes $16,001,570 of uncertified value.

(b) See "Estimated Overlapping Debt Statement" herein.

(c) Neither Texas Law nor the Bond Order requires that the District maintain any particular sum in the Debt Service Fund.

Unlimited Tax Bonds Authorized but Unissued

Date of Authorization	Purpose	Authorized	Issued to Date	Unissued
11/7/06	Water, Wastewater and Drainage	$47,200,000	$35,825,000	$11,375,000
11/7/06	Parks	15,000,000	3,315,000 (a)	11,685,000
11/4/08	Roads	14,880,000	8,650,000	6,230,000
11/7/06	Refunding	40,000,000	1,170,000	38,830,000

(a) The Bonds.

Investment Authority and Investment Practices of the District

The District has adopted an Investment Policy (the "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 Policy. The 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 deposit insured by the Federal Deposit Insurance Corporation ("FDIC") and secured by collateral authorized by the Act, and in TexPool and Texas Class, which are public funds investment pools rated in the highest rating category by a nationally recognized rating service.

Estimated Overlapping Debt Statement

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

Taxing Jurisdiction	Outstanding Debt as of July 31, 2016	Percent	Overlapping Amount
Harris County	$2,430,303,330	0.13%	$ 3,098,640
Harris County Department of Education	7,000,000	0.13	8,924
Harris County Flood Control District	83,075,000	0.13	108,571
Port of Houston Authority	674,269,397	0.13	881,336
Lone Star College System	568,335,000	0.33	1,849,264
Klein ISD	946,350,000	3.06	28,913,238
TOTAL ESTIMATED OVERLAPPING DEBT			$34,859,973
Direct Debt			44,420,000(a)
TOTAL DIRECT & ESTIMATED OVERLAPPING DEBT			$79,279,973

(a) Includes the Bonds.

Debt Ratios

	2016 Taxable Assessed Valuation
Direct Debt	8.03 %
Total Direct and Estimated Overlapping Debt	14.34 %

TAX DATA

General

Taxable property within the District is subject to the assessment, levy and collection by the District of a continuing direct, annual ad valorem tax, without legal limitation as to rate or amount, sufficient to pay principal of and interest on the Bonds (and any future tax-supported bonds which may be issued from time to time as authorized). Taxes are levied by the District each year against the District's assessed valuation as of January 1 of that year. Taxes become due October 1 of such year, or when billed, and generally become delinquent after January 31 of the following year. The Board covenants in the Bond Order to assess and levy for each year that all or any part of the Bonds remain outstanding and unpaid a tax ample and sufficient to produce funds to pay the principal of and interest on the Bonds. The actual rate of such tax will be determined from year to year as a function of the District's tax base, its debt service requirements and available funds. In addition, the District has the power and authority to assess, levy and collect ad valorem taxes, in an unlimited amount, for operation and maintenance purposes. The Board levied a 2015 tax rate of $0.150 per $100 of assessed valuation for operation and maintenance purposes, a system debt service tax rate of $0.470 per $100 of assessed valuation, and a road debt service tax rate of $0.120 per $100 of assessed valuation. At its September 7, 2016 meeting, the Board authorized publication of a notice to consider levying a $0.665 tax rate at its October 5, 2016 meeting.

Tax Rate Limitation

System Debt Service:	Unlimited (no legal limit as to rate or amount).
Road Debt Service:	Unlimited (no legal limit as to rate or amount).
Maintenance:	$1.50 per $100 of Assessed Valuation.

Debt Service Tax

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

In the Bond Order, the System Debt Service Fund is confirmed, and the proceeds from all taxes levied, appraised and collected for payment of the Bonds authorized by the Bond Order shall be deposited, as collected.

The District also maintains a separate debt service fund for roads. Funds in the Road Debt Service Fund are not available to pay principal and interest on the Bonds and funds in the System Debt Service Fund are not available to pay principal and interest on the Outstanding Road Bonds.

Maintenance Tax

The Board of Directors of the District has the statutory authority to levy and collect an annual ad valorem tax for maintenance of the District's improvements, if such maintenance tax is authorized by vote of the District's electors. On November 7, 2006, the Board was authorized to levy such a maintenance tax in an amount not to exceed $1.50 per $100 of assessed valuation. The District levied a maintenance tax for 2015 at the rate of $0.15 per $100 assessed valuation. Such tax is in addition to taxes which the District is authorized to levy for paying principal and interest on the District's bonds.

Tax Exemption

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

Additional Penalties

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

Historical Tax Collections

The following table illustrates the collection history of the District for the 2007-2015 tax years:

Tax Year	Certified Assessed Valuation	Tax Rate/ $100 (a)	Adjusted Levy	% of Collections Current Year	Fiscal Year Ending 9/30	% of Collections as of 08/31/2016
2007	30,229,889	0.8500	256,954	100.00	2008	100.00
2008	114,434,575	0.8500	972,694	98.84	2009	100.00
2009	192,626,976	0.8500	1,637,330	100.00	2010	99.93
2010	196,300,768	0.8500	1,668,557	99.65	2011	99.76
2011	254,451,759	0.8500	2,162,840	99.66	2012	99.82
2012	284,518,516	0.8500	2,418,408	99.63	2013	99.92
2013	356,700,228	0.8400	2,996,282	99.50	2014	99.97
2014	411,714,501	0.7900	3,252,545	99.30	2015	99.92
2015	492,992,797	0.7400	3,648,147	99.83	2016	99.83

(a) Includes a tax for maintenance and operation purposes. See "- Tax Rate Distribution" below.

Tax Rate Distribution (a)

	2015	2014	2013	2012	2011
WS&D Debt Service	$0.470	$0.635	$0.710	$0.750	$0.750
Road Debt Service	0.120	0.085	0.000	0.000	0.000
Maintenance	0.150	0.070	0.130	0.100	0.100
	$0.740	$0.790	$0.840	$0.850	$0.850

(a) At its September 7, 2016 meeting, the Board authorized publication of a notice to consider levying a $0.665 tax rate at its October 5, 2016 meeting.

Analysis of Tax Base

The following table illustrates the District's total taxable assessed value for the 2012-2016 tax years by type of property.

Type of Property	2016 Assessed Valuation (a)	2015 Assessed Valuation	2014 Assessed Valuation	2013 Assessed Valuation	2012 Assessed Valuation
Land	$126,102,624	$126,929,507	$103,327,979	$98,340,601	$82,446,590
Improvements	416,196,825	352,451,018	299,280,243	237,943,893	181,368,739
Personal Property	29,214,132	38,646,357	31,748,920	31,400,315	30,308,591
Exemption	(34,680,708)	(25,034,085)	(22,642,641)	(10,984,581)	(9,605,404)
Total	$536,832,873	$492,992,797	$411,714,501	$356,700,228	$284,518,516

(a) This value does not include $16,001,570 of uncertified value.

Principal Taxpayers

The following represents the principal taxpayers, type of property, and their assessed values as of January 1, 2016:

Taxpayer	Type of Property	Assessed Valuation 2016 Tax Roll
Vintage Dunhill LLC (a)	Land & Improvements	$ 78,970,285
IMF Investments Park LLC (a)(b)	Land & Improvements	55,534,864
St. Lukes Hospital at the Vintage LLC (c)	Land & Improvements	52,781,453
San Antigua Investment LP	Land & Improvements	39,500,000
MRP Vintage Park LLC	Land & Improvements	38,500,000
HCRIX Houston LLC	Land & Improvements	22,995,000
HEB Grocery Company LP	Land & Improvements	17,876,355
ARHC RRHUSTX001 LLC	Land & Improvements	17,439,000
Sueba Development 143 LP	Land & Improvements	15,796,370
Vintage Harris Hospitality LP	Land & Improvements	12,878,027
Total		$352,271,354
Percentage of 2016 Assessed Valuation		63.72%

(a) See "THE DEVELOPERS."
(b) Represents two apartment complexes operated by Sueba U.S.A. Corporation.
(c) Under its current ownership structure, the St. Luke's Hospital is subject to ad valorem taxation under state law. The District can make no representation as to whether the hospital owner may change its corporate structure to allow the property to be exempt from ad valorem taxation or may sell the hospital to another owner that would cause the property to be exempt from ad valorem taxation.

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 all Outstanding Bonds and the Bonds if no growth in the District occurs beyond the 2016 Assessed Valuation ($552,834,443). The foregoing further assumes collection of 95% of taxes levied and the sale of no additional bonds:

Projected Average Annual Debt Service Requirements (2016-2038)................................	$2,677,773
Tax Rate of $0.51 on the 2016 Assessed Valuation at 95% collection produces..........	$2,678,483
Projected Maximum Annual Debt Service Requirement (2031)..	$3,279,036
Tax Rate of $0.63 on the 2016 Assessed Valuation at 95% collection produces..........	$3,308,714

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 - Estimated Direct and Overlapping Debt Statement"), certain taxing jurisdictions are authorized by Texas law to assess, levy and collect ad valorem taxes for operation, maintenance, administrative and/or general revenue purposes.

Set forth below is a compilation of all 2015 taxes levied by such jurisdictions per $100 of assessed valuation. Such levies do not include local assessments for community associations, fire department contributions, charges for solid waste disposal, or any other dues or charges made by entities other than political subdivisions.

Taxing Jurisdiction	2015 Tax Rate/ Per $100 of A.V.
The District	$0.740000
Klein ISD	1.390000
Harris County	0.419230
Harris County FCD	0.027330
Harris County Dept. of Education	0.005422
Harris County Hospital District	0.170000
Port of Houston Authority	0.013420
Lone Star College System	0.107900
Harris County Emergency Service District No. 11	0.041850
Harris County Emergency Service District No. 16	0.050000
Estimated Total Tax Rate	$2.965152

TAXING PROCEDURES

Authority to Levy Taxes

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

Property Tax Code and County-Wide Appraisal District

The Texas Property Tax Code (the "Property Tax Code") specifies the taxing procedures of all political subdivisions of 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 the responsibility for reviewing and equalizing the values established by the appraisal district. The Harris County Appraisal District (the "Appraisal District" or "HCAD") has the responsibility for appraising property for all taxing units within Harris County, including the District. Such appraisal values are 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 must be used by the District in establishing its tax roll and tax rate.

Property Subject to Taxation by the District

General: Except for certain exemptions provided by Texas law, all real property, tangible personal property held or used for the production of income, mobile homes and certain categories of intangible personal property with a tax situs in the District are subject to taxation by the District. Principal categories of exempt property include, but are not limited to: property owned by the State of Texas or its political subdivisions, if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies and personal effects; certain goods, wares, and merchandise in transit; certain farm products owned by the producer; certain property of charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; travel trailers; and most individually-owned automobiles. In addition, the District may by its own action exempt residential homesteads of persons 65 years of age or older and certain disabled persons, to the extent deemed advisable by the Board of Directors of the District. The District may be required to offer such exemptions if a majority of voters approve the same at an election. The District would be required to call an election upon petition by twenty percent (20%) of the number of qualified voters who voted in the preceding election. The District is authorized by statute to disregard exemptions for the disabled and elderly if granting the exemption would impair the District's obligation to pay tax-supported debt incurred prior to adoption of the exemption by the District. Furthermore, the District must grant exemptions to disabled veterans or certain surviving dependents of disabled veterans, if requested, but only to the maximum extent of between $5,000 and $12,000 depending upon the disability rating of the veteran claiming the exemption. A veteran who receives a disability rating of 100% is entitled to an exemption of full value of the veteran's residential homestead. 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, and surviving spouses of a deceased veteran who had received a disability rating of 100% are entitled to receive a residential homestead exemption equal to the exemption received by the deceased spouse until such surviving spouse remarries. 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. 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. For the 2015 tax year, the District has granted a $10,000 exemption for residents who are disabled or 65 and older.

Residential Homestead Exemptions: The Property Tax Code authorizes the governing body of each political subdivision in the State of Texas to exempt up to twenty (20%) percent 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: A "Freeport Exemption" applies to goods, wares, ores, and merchandise other than oil, gas, and petroleum products (defined as liquid and gaseous materials immediately derived from refining petroleum or natural gas), and to aircraft or repair parts used by a certified air carrier acquired in or imported into Texas which are destined to be forwarded outside of Texas and which are detained in Texas for assembling, storing, manufacturing, processing or fabricating for less than 175 days. Although certain taxing units may take official action to tax such property in transit and negate such exemption, the District does not have such an option. A "Goods-in-Transit" Exemption is applicable to the same categories of tangible personal property which are covered by the Freeport Exemption, if, for tax year 2013 and prior applicable years, such property is acquired in or imported into Texas for assembling, storing, manufacturing, processing, or fabricating purposes and is subsequently forwarded to another location inside or outside of Texas not later than 175 days after acquisition or importation, and the location where said property is detained during that period is not directly or indirectly owned or under the control of the property owner. For tax year 2012 and subsequent years, such Goods-in-Transit Exemption includes tangible personal property acquired in or imported into Texas for storage purposes only if such property is stored under a contract of bailment by a public warehouse operator at one or more public warehouse facilities in Texas that are not in any way owned or controlled by the owner of such property for the account of the person who acquired or imported such property. A property owner who receives the Goods-in-Transit Exemption is not eligible to receive the Freeport Exemption for the same property. Local taxing units such as the District may, by official action and after public hearing, tax goods-in-transit property. A taxing unit must exercise its option to tax goods-in-transit property before January 1 of the first tax year in which it proposes to tax the property at the time and in the manner prescribed by applicable law. The District has taken official action to allow taxation of all such goods-in-transit personal property for all prior and subsequent years.

Valuation of Property for Taxation

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

The Property Tax Code permits land designated for agricultural use, open space or timberland to be appraised at its value based on the land's capacity to produce agricultural or timber products rather than at its market value. The Property Tax Code permits, under certain circumstances, that residential real property inventory held by a person in the trade or business be valued at the price that such property would bring if sold as a unit to a purchaser who would continue the business. Landowners wishing to avail themselves of the agricultural use, open space or timberland designation or residential real property inventory designation must apply for the designation, and the appraiser is required by the Property Tax Code to act on each claimant's right to the designation individually. A claimant may waive the special valuation as to taxation by some political subdivisions while claiming it as to another. If a claimant receives the agricultural use designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use, including taxes for the previous three years for agricultural use and taxes for the previous five years for open space land and timberland.

The Property Tax Code requires the HCAD to implement a plan for periodic reappraisal of property. The plan must provide for appraisal of all real property in the HCAD at least once every three years. It is not known what frequency of reappraisal will be utilized by the HCAD 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 HCAD 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 HCAD chooses formally to include such values on its appraisal roll.

District and Taxpayer Remedies

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

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

Levy and Collection of Taxes

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

Rollback of Operation and Maintenance Tax Rate

The qualified voters of the District have the right to petition for a rollback of the District's operation and maintenance tax rate only if the total tax bill on the average residence homestead increases by more than eight percent. If a rollback election is called and passes, the rollback tax rate is the current year's debt service and contract tax rates plus 1.08 times the previous year's operation and maintenance tax rate. Thus, debt service and contract tax rates cannot be changed by a rollback election.

District's Rights In The Event Of Tax Delinquencies

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

At any time after taxes on property become delinquent, the District may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. 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 proceeding which restrict the collection of taxpayer debts. See "INVESTMENT CONSIDERATIONS - General - Tax Collection and Foreclosure Remedies."

THE SYSTEM

General

The water and wastewater facilities, the purchase, acquisition and construction of which have been financed by the District with the proceeds of bonds, have been designed in accordance with accepted engineering practices and the recommendation of certain governmental agencies having regulatory or supervisory jurisdiction over construction and operation of such facilities, including, among others, the TCEQ. According to Brown & Gay Engineers, Inc. (the "Engineer"), the design of all such facilities has been approved by all governmental agencies, which have jurisdiction over the District.

Water System

North Harris County Regional Water Authority ("NHCRWA") owns and operates the 1,200 gallon per minute ("gpm") water well located at Water Plant No. 1 within the District. The water pumped from the onsite well is pumped to the NHCRWA water plant north of Louetta Road and then distributed back to the users in the Authority, including the District. The District also receives surface water pursuant to a contract with the NHCRWA. Thereby, the District has sufficient capacity to serve the ultimate development of the District.

The District's water supply system consists of a 500,000 gallon ground water storage tank, a 230,000 gallon ground water storage tank, four booster pumps with a combined capacity of 5,200 gpm, and two hydro-pneumatic tanks with a combined capacity of 50,000 gallons. Such facilities are sufficient to serve 2,600 equivalent single family connections ("ESFCs"). The District currently serves approximately 2,449 ESFCs.

The District has emergency water interconnects with Charterwood Municipal Utility District ("Charterwood MUD") and Harris County Municipal Utility District No. 286 ("HCMUD 286").

Wastewater System

The District currently receives wastewater treatment service from wastewater treatment capacity supplied by Charterwood MUD Regional Wastewater Treatment Plant ("WWTP"). The District entered into an agreement with Charterwood MUD for construction of a 1.05 million gallon per day ("mgd") expansion to the WWTP, giving it a total capacity of 1.65 mgd. This expansion was completed in 2009. The District has allocated 850,000 gpd of such capacity; the other 800,000 gpd of capacity is allocated to Charterwood MUD. The plant has enough capacity allocated to the District to serve the projected ultimate buildout of the District.

Subsidence and Conversion to Surface Water Supply

The District is within the boundaries of the Harris Galveston Subsidence District (the "Subsidence District") which regulates groundwater withdrawal. The Subsidence District has adopted regulations requiring reduction of groundwater withdrawals through conversion to alternate source water (e.g., surface water) in certain areas within the Subsidence District's jurisdiction, including the area within the District. In 1999, the Texas Legislature created the North Harris County Regional Water Authority ("Authority") to, among other things, reduce groundwater usage in, and to provide surface water to, the northern portion of Harris County. The District is located within the boundaries of the Authority. The Authority has entered into a Water Supply Contract with the City of Houston, Texas ("Houston") to obtain treated surface water from Houston. The Authority has developed a groundwater reduction plan ("GRP") and obtained Subsidence District approval of its GRP. The Authority's GRP sets forth the Authority's plan to comply with Subsidence District regulations, construct surface water facilities, and convert users from groundwater to alternate source water (e.g., surface water). The groundwater well(s) located within the District are included within the Authority's GRP. The District's authority to pump groundwater is subject to an annual permit issued by the Subsidence District to the Authority, which permit includes all groundwater wells that are included in the Authority's GRP.

The Authority, among other powers, has the power to (i) issue debt supported by the revenues pledged for the payment of its obligations; (ii) establish fees (including fees to be paid by the District for groundwater pumped by the District or for surface water received by the District from the Authority), user fees, rates, and charges as necessary to accomplish its purposes; and (iii) mandate water users, including the District, to convert from groundwater to surface water. The Authority currently charges the District, and other major groundwater users, a fee per 1,000 gallons based on the amount of groundwater pumped by the District and the amount of surface water, if any, received by the District from the Authority. The Authority has issued revenue bonds to fund, among other things, Authority surface water project costs. It is expected that the Authority will continue to issue a substantial amount of bonds by the year 2035 to finance the Authority's project costs, and it is expected that the fees charged by the Authority will increase substantially over such period.

Under the Subsidence District regulations and the GRP, the Authority is required: (i) through the year 2024, to limit groundwater withdrawals to no more than 70% of the total annual water demand of the water users within the Authority's GRP; (ii) beginning in the year 2025, to limit groundwater withdrawals to no more than 40% of the total annual water demand of the water users within the Authority's GRP; and (iii) beginning in the year 2035, and continuing thereafter, to limit withdrawals to no more than 20% of the total annual water demand of the water users within the Authority's GRP. If the Authority fails to comply with the above Subsidence District regulations or its GRP, the Authority is subject to a disincentive fee penalty of $7.00 per 1,000 gallons ("Disincentive Fees") imposed by the Subsidence District for any groundwater withdrawn in excess of 20% (10% in Regulatory Area 1) of the total water demand in the Authority's GRP. In the event of such Authority failure to comply, the Subsidence District may also seek to collect Disincentive Fees from the District. If the District failed to comply with surface water conversion requirements mandated by the Authority, the Authority would likely impose monetary or other penalties against the District.

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

Drainage System

Internal storm water collection lines have been constructed for drainage system improvements to serve the District's development. The District's drainage system consists of curbs and gutters with inlets and reinforced concrete storm sewers. The District's drainage system will convey flows to storm water detention basins. The detention basins ultimately drain to Cypress Creek.

Description of Detention Facilities

There are several existing and proposed detention facilities located within the District. A 29.2 acre dry detention pond site, located east of Cutten Road and south of Vintage Preserve Parkway ("VPP") provides detention for all District acreage east of Cutten Road, with the exception of the Vintage Royale Tract. Vintage Royale has an onsite detention pond and detention/amenity lake that provides detention for that tract. For all development located west of Pillot Gully, a 20 acre site adjacent to Pillot Gully and south of VPP has been constructed. The tract located south of VPP between Pillot Gully and Cutten Road, currently undeveloped, will contain an onsite dry detention pond that will drain to Pillot Gully.

100-year Flood Plain

The District is located within Federal Emergency Management Authority (FEMA) Flood Insurance Rate Maps (FIRMs) 48201C0240M, 48201C0245M, 48201C0430M and 48201C0435M, respectively, dated October 16, 2013. According to these maps, approximately 123 acres of the District lie within the 100-year flood plain. These areas have been or will be filled above the 100-year flood plain elevation, or will be used for detention, mitigation, drainage channels, or parkland. All areas currently within the boundaries of the 100-year flood plain that will be ultimately developed for residential or commercial use will be eventually removed from the 100-year flood plain by a Letter of Map Revision (LOMR-F).

Park System

In 2006, the District developed a Parks Master Plan and the voters approved $15,000,000 in unlimited tax bonds to pay for the construction of park and recreational facilities in the Parks Master Plan.

The Parks Master Plan identifies several regional and neighborhood park locations, including Kickerillo Mischer Preserve Park, and several miles of trails throughout and adjacent to the District. Each item is designed to add to the overall community green space and the overall pedestrian experience in relationship to the community as a whole.

A portion of the proceeds of the Bonds will be used to reimburse the Developer for land deeded to Harris County, which is being developed as Kickerillo Mischer Preserve Park.

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Historical Operations of the System

The following is a summary of the District's Operating Fund for the last 4 years. The figures for the fiscal years ending May 31, 2012 through May 31, 2015, were obtained from the District's annual financial reports, reference to which is hereby made. The figures for fiscal year ending May 31, 2015 are unaudited and were prepared by the District's bookkeeper. The District is required by statute to have a certified public accountant prepare and file an annual audit of its financial records with the TCEQ.

	Fiscal Year Ended May 31, 2015			
Revenues	**2015**	**2014**	**2013**	**2012**
Water service	$509,025	$510,580	$441,396	$389,468
Sewer service	336,846	295,524	240,178	192,977
Property taxes	288,404	471,664	287,451	250,183
Penalties and interest	18,412	24,869	19,172	1,617
Chloramines conversion reimbursement	16,324	16,324	16,324	4,081
Tap connections	251,740	376,000	184,440	280,107
Regional Water Authority fees	358,674	318,926	294,103	250,021
City of Houston sales tax rebate	375,131	395,508	275,806	220,143
Investment earnings	9,943	27,701	9,360	6,239
Other revenue	1,097	431	515	341
Total	$2,165,596	$2,437,527	$1,768,745	$1,595,177
Expenditures				
Purchased services	$240,013	$181,104	$208,825	$190,520
Professional fees	249,070	172,942	167,570	115,423
Contracted services	250,244	304,182	169,341	166,700
Repairs and maintenance	541,497	504,672	425,293	371,019
Utilities	39,210	37,630	35,494	44,878
Regional water authority fees	401,091	356,996	279,607	312,278
Administration and other	36,931	55,248	32,660	39,303
Capital Outlay	188,350	132,588	137,876	110,071
Total	$1,946,406	$1,745,362	$1,456,666	$1,350,192
NET REVENUES (Deficit)	$219,190	$692,165	$312,079	$244,985
Other financing sources (uses)	-	-	-	-
Beginning fund balance	-	-	244,985	-
Ending fund balance	$219,190	$692,165	$557,064	$244,985

INVESTMENT CONSIDERATIONS

General

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

Factors Affecting Taxable Values and Tax Payments

Economic Factors: The rate of development within the District is directly related to the vitality of the commercial, retail, single-family and multi-family housing industry in the Houston metropolitan area. New commercial, retail, single-family and multi-family construction can be significantly affected by factors such as interest rates, construction costs, and consumer demand. Decreased levels of such construction activity would restrict the growth of property values in the District. The District cannot predict the pace or magnitude of any future development in the District. See "DEVELOPMENT WITHIN THE DISTRICT."

Location and Access: The District is located in an outlying area of the Houston metropolitan area, approximately 20 miles northwest from the central business district of the City of Houston, adjacent to Texas State Highway 249. Many of the mixed-use developments with which the District competes are in a more developed state and have lower taxes. As a result, particularly during times of increased competition, the Developers (hereinafter defined) within the District may be at a competitive disadvantage to the developers in other mixed-use projects located closer to major urban centers or in a more developed state. See "THE DISTRICT" and "DEVELOPMENT WITHIN THE DISTRICT."

Principal Landowners' Obligations to the District: The District's tax base is concentrated in a small number of taxpayers. As reflected in this Official Statement under the caption "TAX DATA - Principal Taxpayers," the District's ten principal taxpayers in 2016 owned property located in the District, the aggregate assessed valuation of which comprised approximately 63.72% of the District's total assessed valuation. The District cannot represent that its tax base will in the future be (i) distributed among a significantly larger number of taxpayers, or (ii) less concentrated in property owned by a relatively small number of property owners, than it is currently. Failure by one or more of the District's principal property owners to make full and timely payments of taxes due may have an adverse effect on the investment quality or security of the Bonds. If any one or more of the principal District taxpayers did not pay taxes due, the District might need to levy additional taxes or use other debt service funds available to meets its debt service requirements.

The District can make no representation that the taxable property values in the District will increase in the future or will maintain a value sufficient to support the proposed District tax rate or to justify continued payment of taxes by property owners. The District levied a maintenance tax of $0.150 per $100 of assessed valuation for 2015.

St. Luke’s Hospital is currently the third largest property holder within the District comprising approximately 9.55% of the District’s 2016 Assessed Valuation. Under its current ownership structure, the St. Luke’s Hospital is subject to ad valorem taxation under state law. The District can make no representation as to whether the hospital owner may change its corporate structure to allow the property to be exempt from ad valorem taxation or may sell the hospital to another owner that would cause the property to be exempt from ad valorem taxation.

Competition: The demand for and construction of taxable improvements in the District could be affected by competition from other developments near the District. In addition to competition for new commercial, retail, multi-family and single-family home sales from other developments, there are numerous previously-owned commercial, retail, multi-family and single-family homes in more established commercial centers and neighborhoods closer to Houston that are for sale. Such existing developments could represent additional competition for new development proposed to be constructed within the District.

The competitive position of the Developers in the sale of land, leasing of commercial improvements, and sale or leasing of residences and apartments is affected by most of the factors discussed in this section. Such a competitive position is directly related to the growth and maintenance of taxable values in the District and tax revenues to be received by the District. The District can give no assurance that building and marketing programs in the District by the Developers will be implemented or, if implemented, will be successful.

Developers Under No Obligation to the District: The Developers have informed the District of their current plans to continue to develop land in the District for mixed commercial and residential purposes. However, the Developers are not obligated to implement such plan on any particular schedule or at all. Thus, the furnishing of information related to the proposed development by the Developers should not be interpreted as such a commitment. The District makes no representation about the probability of development continuing in a timely manner or about the ability of the Developers, or any other subsequent landowners to whom a party may sell all or a portion of their holdings within the District, to implement any plan of development. Furthermore, there is no restriction on the Developers' right to sell their land. The District can make no prediction as to the effects that current or future economic or governmental circumstances may have on any plans of the Developers. Failure to construct taxable improvements on developed lots and tracts and failure of the Developers to develop their land would restrict the rate of growth of taxable value in the District. The District is also dependent upon the Developers (see "TAX DATA - Principal Taxpayers") for the timely payment of ad valorem taxes, and the District cannot predict what the future financial condition of the Developers will be or what effect, if any, such conditions may have on their ability to pay taxes. See "THE DEVELOPERS," "DEVELOPMENT WITHIN THE DISTRICT."

Impact on District Tax Rates: Assuming no further development or construction of taxable improvements, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of property owners within the District to pay their taxes. The 2016 Assessed Valuation of the District is $552,834,443 (see "TAX DATA"). After issuance of the Bonds, the Projected Maximum Annual Debt Service Requirement is estimated to be $3,279,036 (2031) and the Projected Average Annual Debt Service Requirement is estimated to be $2,677,773 (2016 through 2038, inclusive). Assuming no increase or decrease from the 2016 Taxable Assessed Valuation and no use of funds on hand, a tax rate of $0.63 per $100 assessed valuation, at a 95% collection rate would be necessary to pay the Projected Maximum Annual Debt Service Requirement of $3,308,714 and a tax rate of $0.51 per $100 assessed valuation at a 95% collection rate would be necessary to pay the Projected Average Annual Debt Service Requirement of $2,678,483. See "PROJECTED DEBT SERVICE REQUIREMENTS" and "TAX DATA - Tax Adequacy for Debt Service."

Tax Collection Limitations

The District's ability to make debt service payments may be adversely affected by its inability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien in favor of the District on a parity with the liens of all other state and local taxing authorities on the property against which taxes are levied, and such lien may be enforced by foreclosure. The District's ability to collect ad valorem taxes through such foreclosure may be impaired by (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 six (6) months for commercial property and two (2) years for residential and all other property after the purchaser's deed issued at the foreclosure sale is filed in the county records. 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. Attorney's fees and other costs of collecting any such taxpayer's delinquencies could substantially reduce the net proceeds to the District from a tax foreclosure sale. Finally, any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within the District pursuant to the Federal Bankruptcy Code could stay any attempt by the District to collect delinquent ad valorem taxes against such taxpayer. In addition to the automatic stay against collection of delinquent taxes afforded a taxpayer during the pendency of a bankruptcy, a bankruptcy could affect payment of taxes in two (2) other ways: first, a debtor's confirmation plan may allow a debtor to make installment payments on delinquent taxes for up to six (6) years; and, second, a debtor may challenge, and a bankruptcy court may reduce, the amount of any taxes assessed against the debtor, including taxes that have already been paid.

Registered Owners' Remedies and Bankruptcy

In the event of default in the payment of principal of or interest on the Bonds, the Registered Owners have a right to seek a writ of mandamus requiring the District to levy adequate taxes each year to make such payments. 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 provision for acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Sovereign immunity may prevent a Registered Owner from seeking a judgment for monetary damages against the District. If a Registered Owner could obtain a judgment against the District, such a judgment could not be enforced by a 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 in order to pay the principal of and interest on the Bonds. Since there is no trust indenture or trustee, the Registered Owners would have to initiate and finance the legal process to enforce their remedies. The enforceability of the rights and remedies of the Registered Owners further may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. In this regard, should the District file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the District to seek judicial foreclosure of its tax lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge. See "THE BONDS - Bankruptcy Limitation to Registered Owners' Rights."

Bond Insurance Risk Factors

The Issuer has applied for a bond insurance policy to guarantee the scheduled payment of principal and interest on the Bonds. The Issuer 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 issuer which is recovered by the issuer from the bond owner as a voidable preference under applicable bankruptcy law is covered by the insurance policy, however, such payments will be made by the Insurer at such time and in such amounts as would have been due absence such prepayment by the Issuer 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 Issuer or Underwriter 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 Issuer 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 "Bond Insurance" 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.

Environmental Regulation

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

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

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

Air Quality/Greenhouse Gas Issues. Air quality control measures required by the United States Environmental Protection Agency (the "EPA") and the Texas Commission on Environmental Quality (the "TCEQ") may impact new industrial, commercial and residential development in the Houston area. Under the Clean Air Act ("CAA") Amendments of 1990, the eight-county Houston Galveston area ("HGB area")—Harris, Galveston, Brazoria, Chambers, Fort Bend, Waller, Montgomery and Liberty counties—was designated by the EPA in 2008 as a severe ozone nonattainment area. Such areas are required to demonstrate progress in reducing ozone concentrations each year until the EPA "8-hour" ozone standards are met. The EPA granted the governor's request to voluntarily reclassify the HGB ozone nonattainment area from a moderate to a severe nonattainment area for the 1997 eight-hour ozone standard, effective October 31, 2008. The HGB area's new attainment deadline for the 1997 eight-hour ozone standard must be attained as expeditiously as practicable, but no later than June 15, 2019. If the HGB area fails to demonstrate progress in reducing ozone concentration or fails to meet the EPA's standards, the EPA may impose a moratorium on the awarding of federal highway construction grants and other federal grants for certain public works construction projects, as well as severe emissions offset requirements on new major sources of air emissions for which construction has not already commenced.

On October 1, 2015, the EPA lowered the ozone standard from 75 parts per billion ("ppb") to 70 ppb. This could make it more difficult for the HGB Area to demonstrate progress is reducing ozone concentration.

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

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

Texas Pollutant Discharge Elimination System ("TPDES") permits set limits on the type and quantity of discharge, in accordance with state and federal laws and regulations. The TCEQ reissued the TPDES Construction General Permit (TXR150000) on February 19, 2013. The TPDES Construction General Permit became effective on March 5, 2013, and is a general permit authorizing the discharge of stormwater runoff associated with small and large construction sites and certain nonstormwater discharges into surface water in the state. It has a 5-year permit term, and is then subject to renewal. Moreover, the Clean Water Act ("CWA") and Texas Water Code require municipal wastewater treatment plants to meet secondary treatment effluent limitations and must establish the total maximum allowable daily load ("TMDL") of certain pollutants into the water bodies. The TMDLs that municipal utility districts may discharge may have an impact on the municipal utility district's ability to obtain and maintain TPDES permits.

On May 27, 2015, the EPA and the United States Army Corps of Engineers ("USACE") jointly issued a final version of the Clean Water Rule ("CWR"), which expands the scope of the federal government's CWA jurisdiction over intrastate water bodies and wetlands. The final rule became effective on August 28, 2015. On October 9, 2015, the United States Court of Appeals for the Sixth Circuit ("Sixth Circuit") put the CWR on hold nationwide. On February 22, 2016, the Sixth Circuit decided it has jurisdiction to consider lawsuits against the CWR, and on April 21, 2016, denied six petitions for en banc review of this decision. A Petition for Writ of Certiorari was filed on September 2, 2016, appealing to the Supreme Court the Sixth Circuit's decision that it has jurisdiction to consider lawsuits against the CWR. If the CWR is implemented, operations of municipal utility districts, including the District, are potentially subject to additional restrictions and requirements, including permitting requirements, if construction or maintenance activities require the dredging, filling or other physical alteration of jurisdictional waters of the United States or associated wetlands that are within the "waters of the United States." The CWR expands the federal definition of what is a jurisdictional water, which could negatively impact development in the District.

The District's stormwater discharges currently maintain permit coverage through the Municipal Separate Storm System Permit (the "Current Permit") issued to the Storm Water Management Joint Task Force consisting of Harris County, Harris County Flood Control District, the City of Houston, and the Texas Department of Transportation. In the event that at any time in the future the District is not included in the Current Permit, it may be required to seek independent coverage under the TCEQ's General Permit for Phase II (Small) Municipal Separate Storm Sewer Systems (the "MS4 Permit"), which authorizes the discharge of stormwater to surface water in the state from small municipal separate storm sewer systems. If the District's inclusion in the MS4 Permit were required at a future date, the District could incur substantial costs to develop and implement 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.

Marketability

The District has no understanding with the Initial Purchaser regarding the reoffering yields or prices of the Bonds and has no control over trading of the Bonds in the secondary market. Moreover, there is no assurance that a secondary market will be made in the Bonds. If there is a secondary market, the difference between the bid and asked price 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.

Continuing Compliance with Certain Covenants

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

Future Debt

After issuance of the Bonds, $11,685,000 principal amount of unlimited tax bonds for park and recreational facilities, $11,375,000 principal amount of unlimited tax bonds for the System, $6,230,000 principal amount of unlimited tax bonds for road improvements and $38,830,000 in unlimited tax refunding bonds will remain authorized but unissued (see "THE BONDS – Authority for Issuance), and such additional bonds as may hereafter be approved by both the Board and voters in the District. The District also has the right to issue certain other additional bonds, special project bonds, refunding bonds, inferior lien bonds, and other obligations described in the Bond Resolution.

If the District does issue future bonds or other debt obligations and property values have not increased proportionately, such issuance may increase gross debt/property valuation ratios and thereby adversely affect the investment quality or security of the Bonds. Approximately $1,050,000 (for park projects) in advanced funds or costs from one or more of the Developers will need to be reimbursed by the District in the future. The District may issue bonds to reimburse such costs or may use a combination of cash on hand and bond proceeds to reimburse such costs. With respect to the District's issuance of additional bonds to reimburse such costs, the District may do so after approval of the TCEQ for water, sewer and drainage bonds and park bonds and without TCEQ approval for road bonds. In addition, future, changes in health, environmental, or other governmental regulations could require the construction and financing of additional improvements without any corresponding increases in taxable value in the District. See "THE BONDS – Issuance of Additional Debt."

Approval of the Bonds

The Attorney General of Texas must approve the legality of the Bonds prior to their delivery.

The Attorney General of Texas does not pass upon or guarantees the security of the Bonds as an investment, nor has or will the Attorney General pass upon the adequacy or accuracy of the information contained in this Official Statement.

Annexation and Consolidation

The District lies within the extraterritorial jurisdiction of the City of Houston, Texas (the "City"). Under Texas law, a district situated in the extraterritorial jurisdiction of a home-rule city may be annexed in whole, but not in part, by the city without the District's consent, in which case the City must assume the assets, functions and obligations of the district, including the district's outstanding bonds. No representation is made concerning the ability of the City to make debt service payments should annexation occur.

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

The District has entered into a "strategic partnership agreement" (the "SPA") with the City. Under the SPA, the City annexed certain commercial areas of the District for limited purposes of applying certain City planning, zoning, health and safety ordinances in the area annexed for limited purposes. The City imposed its one percent (1%) sales tax in the areas annexed for limited purposes. In the SPA, the City has agreed to rebate to the District one-half (1/2) of all sales tax revenues collected by the City in the area annexed for limited purposes. In addition, the City has agreed that it will not annex the District for full purposes (a traditional annexation) for thirty years from the effective date of the SPA.

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.

LEGAL MATTERS

Legal Proceedings

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

Bond Counsel has reviewed the information appearing in this Official Statement under the caption "THE DISTRICT - General," "THE BONDS," "TAXING PROCEDURES," "LEGAL MATTERS – Legal Proceedings," "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 or the developers 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 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.

No-Litigation Certificate

The District will furnish the Initial Purchaser a certificate, dated of the date of delivery of the Bonds, executed by both the President or Vice President and Secretary or Assistant Secretary of the Board, to the effect that no litigation of any nature has been filed or is to their knowledge then pending or threatened, either in state or federal courts, contesting or attaching 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.

TAX MATTERS

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

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

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

The Code also imposes a twenty percent (20%) alternative minimum tax on the "alternative minimum taxable income" of a corporation, if the amount of such alternative minimum tax is greater than the amount of the corporation's regular income tax. Generally, the alternative minimum taxable income of a corporation (other than an S corporation, regulated investment company, REIT, REMIC or FASIT) includes seventy-five percent (75%) of the amount by which a corporation's "adjusted current earnings" exceeds its other "alternative minimum taxable income." Because interest on tax-exempt obligations, such as the Bonds, is included in a corporation's "adjusted current earnings," ownership of the Bonds could subject a corporation to alternative minimum tax consequences.

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

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

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

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

Tax Accounting Treatment of Original Issue Discount Bonds

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

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

The foregoing discussion assumes, in reliance upon certain representations of the Underwriter, that (a) the Underwriter has purchased the Bonds for contemporaneous sale to the public and (b) all of the Original Issue Discount Bonds have been initially offered, and a substantial amount of each maturity thereof has been sold, to the general public in arm's-length transactions for a price (and with no other consideration being included) not more than the initial offering prices thereof stated on the cover page of this Official Statement. Neither the District nor Bond Counsel warrants that the Original Issue Discount Bonds will be offered and sold in accordance with such assumptions. Certain of the representations of the Underwriter will be based upon records or facts the Underwriter had no reason to believe were not correct.

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

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

Qualified Tax-Exempt Obligations for Financial Institutions

Section 265(a) of the Code provides, in pertinent part, that interest paid or incurred by a taxpayer, including a "financial institution," on indebtedness incurred or continued to purchase or carry tax-exempt obligations is not deductible in determining the taxpayer's taxable income. Section 265(b) of the Code provides an exception to the disallowance of such deduction for any interest expense paid or incurred on indebtedness of a taxpayer that is a "financial institution" allocable to tax-exempt obligations, other than "private activity bonds," that are designated by a "qualified small issuer" as "qualified tax-exempt obligations." A "qualified small issuer" is any governmental issuer (together with any "on-behalf of" and "subordinate" issuers) who issues no more than $10,000,000 of tax- exempt obligations during the calendar year. Section 265(b)(5) of the Code defines the term "financial institution" as any "bank" described in Section 585(a)(2) of the Code, or any person accepting deposits from the public in the ordinary course of such person's trade or business that is subject to federal or state supervision as a financial institution. Notwithstanding the exception to the disallowance of the deduction of interest on indebtedness related to "qualified tax-exempt obligations" provided by Section 265(b) of the Code, Section 291 of the Code provides that the allowable deduction to a "bank," as defined in Section 585(a)(2) of the Code, for interest on indebtedness incurred or continued to purchase "qualified tax-exempt obligations" shall be reduced by twenty-percent (20%) as a "financial institution preference item."

The Issuer has designated the Bonds as "qualified tax-exempt obligations" within the meaning of section 265(b) of the Code. In furtherance of that designation, the Issuer will covenant to take such action that would assure, or to refrain from such action that would adversely affect the treatment of the Bonds as "qualified tax-exempt obligations." Potential purchasers should be aware that if the issue price to the public exceeds $10,000,000, there is a reasonable basis to conclude that the payment of a de minimis amount of premium in excess of $10,000,000 is disregarded; however, the Internal Revenue Service could take a contrary view. If the Internal Revenue Service takes the position that the amount of such premium is not disregarded, then such obligations might fail to satisfy the $10,000,000 limitation and the Bonds would not be "qualified tax-exempt obligations."

CONTINUING DISCLOSURE OF INFORMATION

In the Bond Resolution, the District has the following agreement for the benefit of the holders and beneficial owners of the Bonds. The District is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the District will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified material events, to certain information vendors. This information will be available to securities brokers and others who purchase the information from the Municipal Securities Rulemaking Board ("MSRB"), through its Electronic Municipal Market Access ("EMMA") system.

Annual Reports

The District will provide certain updated financial information and operating data to the MSRB through EMMA annually.

The information to be updated with respect to the District includes all quantitative financial information and operating data with respect to the District of the general type included in this Official Statement included under the headings "DISTRICT DEBT" (except under the subheading "Estimated Overlapping Debt Statement"), "TAX DATA," and "APPENDIX A" (Financial Statements of the District). The District will update and provide this information within six months after the end of each of its fiscal years ending in or after 2016. The District will provide the updated information to EMMA.

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. The updated information will include audited financial statements, if it commissions an audit and the audit is completed by the required time. If the audit of such financial statements is not complete within such period, then the District shall provide unaudited financial statements for the applicable fiscal year to EMMA within such six month period, and audited financial statements when the audit report on such statements becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in the Bond Order 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 May 31. Accordingly, it must provide updated information by November 30, in each year, unless it changes its fiscal year. If the District changes its fiscal year, it will notify EMMA.

Material 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 days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of beneficial owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District or other obligated person within the meaning of CFR §240.15c2-12 (the "Rule"); (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person within the meaning of the Rule or the sale of all or substantially all of the assets of the District or other obligated person within the meaning of the Rule, 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; and (14) appointment of a successor or additional trustee or the change of name of a trustee, if material. The term "material" when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Order makes any provision for debt service reserves or liquidity enhancement. In addition, the District will provide timely notice of any failure by the District to provide information, data, or financial statements in accordance with its agreement described above under "Annual Reports."

Availability of Information from MSRB

The District has agreed to provide the foregoing information only to the MSRB. The information will be available to holders of Bonds at www.emma.msrb.org.

Limitations and Amendments

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

The District may amend its continuing disclosure agreement to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or operations of the District, 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 SEC Rule 15c2-12, 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 Underwriter 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

On November 25, 2013, the District filed its Continuing Disclosure Annual Report with the MSRB through the EMMA system. The Report was inadvertently filed with the May 31, 2012 Financial Statements included, instead of the May 31, 2013 Financial Statements. The District was made aware of the error on July 15, 2014. On July 16, 2014, the District amended the Continuing Disclosure Annual Report to include the May 31, 2013 Financial Statements.

The District has been in material compliance with its prior continuing disclosure agreement in accordance with SEC Rule15c2-12.

OFFICIAL STATEMENT

Preparation

The information in this Official Statement has been obtained from sources as set forth herein under the following captions:

> "THE DISTRICT," "THE SYSTEM," - Brown & Gay Engineers, Inc. ("Engineer"); "THE DEVELOPERS", "DEVELOPMENT WITHIN THE DISTRICT," - the Developers; "DISTRICT FINANCIAL DATA" – Harris County Appraisal District; "ESTIMATED OVERLAPPING DEBT STATEMENT" – Municipal Advisory Council of Texas; "TAX DATA" – Records and Tax Assessor/Collector"; "MANAGEMENT" – District Directors; "THE DISTRICT – Strategic Partnership Agreement – Limited Purpose Annexation by City of Houston", "THE BONDS", "CONTINUING DISCLOSURE OF INFORMATION", "TAXING PROCEDURES", "LEGAL MATTERS" and "TAX MATTERS" – Allen Boone Humphries Robinson LLP and "BOOK-ENTRY-ONLY SYSTEM" – DTC.

Experts

In approving this Official Statement, the District has relied upon the following experts in addition to the Financial Advisor.

> *The Engineer:* The information contained in the Official Statement relating to engineering matters and to the description of the System and, in particular, that information included in the sections entitled "THE DISTRICT," and "THE SYSTEM," has been provided by Brown & Gay Engineers, Inc., and has been included in reliance upon the authority of said firm as experts in the field of civil engineering.
>
> *Appraisal District:* The information contained in the Official Statement relating to principal taxpayers and tax collection rates and the certified assessed valuation of property in the District and, in particular such information contained in the sections captioned "FINANCIAL STATEMENT" and "TAX DATA" has been provided by the Harris County Appraisal District, in reliance upon the authority as experts in appraising and tax assessing.

Updating the Official Statement During Underwriting Period

If, subsequent to the date of the Official Statement to and including the date the Underwriter is no longer required to provide an Official Statement to potential customers who request the same pursuant to Rule 15c2-12 of the federal Securities Exchange Act of 1934 (the "Rule") (the earlier of (i) 90 days from the "end of the underwriting period" (as defined in the Rule) and (ii) the time when the Official Statement is available to any person from a nationally recognized repository but in no case less than 25 days after the "end of the underwriting period"), the District learns or is notified by the Underwriter of any adverse event which causes any of the key representations in the Official Statement to be materially misleading, the District will promptly prepare and supply to the Underwriter a supplement to the Official Statement which corrects such representation to the reasonable satisfaction of the Underwriter, unless the Underwriter elects to terminate its obligation to purchase the Bonds as described below. The obligation of the District to update or change the Official Statement will terminate when the District delivers the Bonds to the Underwriter (the "end of the underwriting period" within the meaning of the Rule), unless the Underwriter provides written notice the District that less than all the Bonds have been sold to ultimate customers on or before such date, in which case the obligation to update or change the Official Statement will extend for an additional period of time of 25 days after all of the Bonds have been sold to ultimate customers. In the event the Underwriter provides written notice to the District that less than all of the Bonds have been sold to ultimate customers, the Underwriter agrees to notify the District in writing following the occurrence of the "end of the underwriting period" as defined in the Rule.

Certification as to Official Statement

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

Official Statement "Deemed Final"

For purposes of compliance with Rule 15c2-12 promulgated by the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the District from time-to-time, may be treated as an Official Statement with respect to the Bonds described herein "deemed final" by the District as of the date hereof (or of any such supplement or correction) except for the omission of certain information referred to in the succeeding paragraph.

The Official Statement, when further supplemented by adding 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 that term is defined in Rule 15c2-12.

This Official Statement was approved by the Board of Directors of Harris County Municipal Utility No. 468, as of the date shown on the first page hereof.

/s/ ____________________________________
Kenneth P. Carter
President, Board of Directors
Harris County Municipal Utility District No. 468

ATTEST:

/s/ ____________________________________
Robert Moore
Secretary, Board of Directors
Harris County Municipal Utility District No. 468

APPENDIX A

FINANCIAL STATEMENTS OF THE DISTRICT

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 468

HARRIS COUNTY, TEXAS

FINANCIAL REPORT

May 31, 2015

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Certified Public Accountants
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Houston, Texas 77277

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Independent Auditors' Report

Board of Directors
Harris County Municipal Utility District No. 468
Harris County, Texas

We have audited the accompanying financial statements of the governmental activities and each major fund of Harris County Municipal Utility District No. 468, as of and for the year ended May 31, 2015, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Board of Directors
Harris County Municipal Utility District No. 468
Harris County, Texas

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Harris County Municipal Utility District No. 468, as of May 31, 2015, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other-Matters

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

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

Houston, Texas
October 7, 2015

Management's Discussion and Analysis

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Using this Annual Report

Within this section of the financial report of Harris County Municipal Utility District No. 468 (the "District"), the District's Board of Directors provides a narrative discussion and analysis of the financial activities of the District for the fiscal year ended May 31, 2015. This analysis should be read in conjunction with the independent auditors' report and the basic financial statements that follow this section.

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

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

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

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

Financial Analysis of the District as a Whole

The District's net position at May 31, 2015, was negative $10,017,350. This amount is negative because the District incurs debt to construct certain storm sewer facilities and roads which it conveys to Harris County. A comparative summary of the District's overall financial position, as of May 31, 2015 and 2014, is as follows:

	2015	2014
Current and other assets	$ 9,312,756	$ 7,727,606
Capital assets	23,250,121	23,200,849
Total assets	32,562,877	30,928,455
Total deferred outflows of resources	938,502	
Current liabilities	2,372,346	1,624,255
Long-term liabilities	41,146,383	37,751,444
Total liabilities	43,518,729	39,375,699
Net position		
Net investment in capital assets	(7,454,263)	(5,103,997)
Restricted	4,686,016	3,555,896
Unrestricted	(7,249,103)	(6,899,143)
Total net position	$ (10,017,350)	$ (8,447,244)

The total net position of the District decreased by $1,570,106. A comparative summary of the District's *Statement of Activities* for the past two years is as follows:

	2015	2014
Revenues		
Water and sewer service	$ 845,871	$ 806,104
Property taxes, penalties and interest	3,282,727	3,085,960
Other	1,055,541	1,133,766
Total revenues	5,184,139	5,025,830
Expenses		
Current service operations	1,886,371	1,758,969
Interest and fees	1,540,416	1,761,302
Debt issuance costs	685,157	467,440
Depreciation	350,310	342,532
Total expenses	4,462,254	4,330,243
Change in net position before other item	721,885	695,587
Other item		
Transfers to other governments	(2,291,991)	(4,384,378)
Change in net position	(1,570,106)	(3,688,791)
Net position, beginning of year	(8,447,244)	(4,758,453)
Net position, end of year	$ (10,017,350)	$ (8,447,244)

Financial Analysis of the District's Funds

The District's combined fund balances, as of May 31, 2015, were $8,473,439, which consists of $1,641,715 in the General Fund, $5,027,403 in the Debt Service Fund and $1,804,321 in the Capital Projects Fund.

General Fund

Comparative summaries of the General Fund's financial position as of May 31, 2015 and 2014 are as follows:

	2015	2014
Total assets	$ 2,196,995	$ 1,691,461
Total liabilities	$ 513,282	$ 264,816
Total deferred inflows	41,998	4,120
Total fund balance	1,641,715	1,422,525
Total liabilities, deferred inflows and fund balance	$ 2,196,995	$ 1,691,461

Comparative summaries of the General Fund's activities for the current and prior fiscal year are as follows:

	2015	2014
Total revenues	$ 2,165,596	$ 2,437,527
Total expenditures	(1,946,406)	(1,745,362)
Revenues over expenditures	$ 219,190	$ 692,165

The District manages its activities with the objectives of ensuring that expenditures will be adequately covered by revenues each year and that an adequate fund balance is maintained. As a result, fund balance in the General Fund for the current year and prior year has increased.

Debt Service Fund

Comparative summaries of the Debt Service Fund's financial position as of May 31, 2015 and 2014 are as follows:

	2015	2014
Total assets	$ 5,047,129	$ 3,901,470
Total liabilities	$ 583	$ 250
Total deferred inflows	19,143	31,613
Total fund balance	5,027,403	3,869,607
Total liabilities, deferred inflows and fund balance	$ 5,047,129	$ 3,901,470

Comparative summaries of the Debt Service Fund activities the current and prior fiscal year are as follows:

	2015	2014
Total revenues	$ 3,036,043	$ 2,591,568
Total expenditures	(2,437,719)	(2,030,897)
Revenues over expenditures	598,324	560,671
Other changes in fund balance	559,472	
Net change in fund balance	$ 1,157,796	$ 560,671

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

During the current year, the District issued $13,215,000 in refunding bonds to refund $12,045,000 of its outstanding Series 2008 bonds. This refunding will save the District $3,142,299 in future debt service requirements.

Capital Projects Fund

A comparative summary of the Capital Projects Fund's financial position as of May 31, 2015 and 2014 are as follows:

	2015	2014
Total assets	$ 1,832,272	$ 1,916,634
Total liabilities	$ 27,951	$ 178,865
Total fund balance	1,804,321	1,737,769
Total liabilities and fund balance	$ 1,832,272	$ 1,916,634

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

	2015	2014
Total revenues	$ 735	$ 277
Total expenditures	(6,233,160)	(5,736,828)
Revenues under expenditures	(6,232,425)	(5,736,551)
Other changes in fund balance	6,298,977	7,206,437
Net change in fund balance	$ 66,552	$ 1,469,886

The District has had considerable capital asset activity in the last two years, which includes the sale of two road bonds in the current year and issuance of a bond anticipation note and the sale of bond in the prior year

General Fund Budgetary Highlights

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

Since the District's budget is primarily a planning tool, actual results varied from the budgeted amounts. Actual net change in fund balance was $496,970 less than budgeted. The *Budgetary Comparison Schedule* on page 36 of this report provides variance information per financial statement line item.

Capital Assets

Capital assets held by the District at May 31, 2015 and 2014 are summarized as follows:

	2015	2014
Capital assets not being depreciated		
Land and improvements	$ 9,910,796	$ 9,910,796
Construction in progress	49,600	
	9,960,396	9,910,796
Capital assets being depreciated		
Infrastructure	15,643,193	15,293,211
Less accumulated depreciation	(2,353,468)	(2,003,158)
Depreciable capital assets, net	13,289,725	13,290,053
Capital assets, net	$ 23,250,121	$ 23,200,849

The District's capital additions consisted of the following during the current year:

- Water Plant No. 1 drainage improvements
- Storm sewer connection to serve Vintage Marketplace, Phase 2

As discussed in Note 6, the District has contractual commitments in the amount of $439,795 for construction of a sanitary and waterline connection. The District will owe its developers for these projects upon completion of construction.

Long-Term Debt

At May 31, 2015 and 2014, the District had total bonded debt outstanding as shown below:

Series	2015	2014
2008	$ 995,000	$ 13,500,000
2010	4,145,000	4,275,000
2011	3,715,000	3,850,000
2013	4,520,000	4,630,000
2014	7,335,000	7,335,000
2014 Road	5,370,000	
2015 Refunding	13,215,000	
2015 Road	1,295,000	
	$ 40,590,000	$ 33,590,000

During the year, the District issued $6,665,000 in unlimited tax road bonds and $13,215,000 in unlimited tax refunding bonds. At May 31, 2015, the District had $11,375,000 unlimited tax bonds authorized, but unissued for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage systems within the District; $15,000,000 for parks and recreational facilities; $8,215,000 for road improvements and $38,830,000 for refunding purposes.

Next Year's Budget

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

	2015 Actual	2016 Budget
Total revenues	$ 2,165,596	$ 1,915,875
Total expenditures	(1,946,406)	(1,618,215)
Revenues over expenditures	219,190	297,660
Beginning fund balance	1,422,525	1,641,715
Ending fund balance	$ 1,641,715	$ 1,939,375

Property Taxes

The District's property tax base increased approximately $65,326,000 for the 2015 tax year from $428,739,880 to $494,065,459.

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Basic Financial Statements

Harris County Municipal Utility District No. 468
Statement of Net Position and Governmental Funds Balance Sheet
May 31, 2015

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets						
Cash	$ 1,021,818	$ 592,287	$ -	$ 1,614,105	$ -	$ 1,614,105
Investments	841,242	4,467,579	1,832,272	7,141,093		7,141,093
Taxes receivable, net	1,642	19,143		20,785		20,785
Customer service receivables, net	178,834			178,834		178,834
Due from City of Houston	115,130			115,130		115,130
Due from other governments					214,800	214,800
Internal balances	32,455	(32,455)				
Other receivables		575		575		575
Operating reserve	5,874			5,874		5,874
Prepaid bond insurance, net					21,560	21,560
Capital assets not being depreciated					9,960,396	9,960,396
Capital assets, net					13,289,725	13,289,725
Total Assets	$ 2,196,995	$ 5,047,129	$ 1,832,272	$ 9,076,396	23,486,481	32,562,877
Deferred Outflows of Resources						
Deferred difference on refunding					938,502	938,502
Liabilities						
Accounts payable	$ 414,332	$ -	$ 27,951	$ 442,283		442,283
Other payables	853	583		1,436		1,436
Customer deposits	98,097			98,097		98,097
Accrued interest payable					360,530	360,530
Due to developers					2,725,826	2,725,826
Long-term debt						
Due within one year					1,470,000	1,470,000
Due after one year					38,420,557	38,420,557
Total Liabilities	513,282	583	27,951	541,816	42,976,913	43,518,729
Deferred Inflows of Resources						
Deferred property taxes	1,642	19,143		20,785	(20,785)	
Deferred City of Houston sales tax rebates	40,356			40,356	(40,356)	
	41,998	19,143		61,141	(61,141)	
Fund Balances/Net Position						
Fund Balances						
Nonspendable	5,874			5,874	(5,874)	
Restricted		5,027,403	1,804,321	6,831,724	(6,831,724)	
Unassigned	1,635,841			1,635,841	(1,635,841)	
Total Fund Balances	1,641,715	5,027,403	1,804,321	8,473,439	(8,473,439)	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 2,196,995	$ 5,047,129	$ 1,832,272	$ 9,076,396		
Net Position						
Net investment in capital assets					(7,454,263)	(7,454,263)
Restricted for debt service					4,686,016	4,686,016
Unrestricted					(7,249,103)	(7,249,103)
Total Net Position					$ (10,017,350)	$ (10,017,350)

See notes to basic financial statements.

Harris County Municipal Utility District No. 468
Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances
For the Year Ended May 31, 2015

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues						
Water service	$ 509,025	$ -	$ -	$ 509,025	$ -	$ 509,025
Sewer service	336,846			336,846		336,846
Property taxes	288,404	2,983,766		3,272,170	(14,948)	3,257,222
Penalties and interest	18,412	7,093		25,505		25,505
Chloramines conversion reimbursement	16,324			16,324	(16,324)	
Interest on chloramines conversion reimbursement					13,083	13,083
Tap connection and inspection	251,740			251,740		251,740
Regional water authority fees	358,674			358,674		358,674
City of Houston sales tax rebates	375,131			375,131	40,356	415,487
Accrued interest on bonds sold		40,402		40,402	(40,402)	
Miscellaneous	9,943			9,943		9,943
Investment earnings	1,097	4,782	735	6,614		6,614
Total Revenues	2,165,596	3,036,043	735	5,202,374	(18,235)	5,184,139
Expenditures/Expenses						
Current service operations						
Purchased services	240,013			240,013		240,013
Professional fees	249,070		90,757	339,827		339,827
Contracted services	250,244	36,012		286,256		286,256
Repairs and maintenance	541,497			541,497		541,497
Utilities	39,210			39,210		39,210
Regional water authority fees	401,091			401,091		401,091
Administrative	30,429	1,436		31,865		31,865
Other	6,502	110		6,612		6,612
Capital outlay	188,350		5,534,980	5,723,330	(5,723,330)	
Debt service						
Principal		835,000		835,000	(835,000)	
Interest and fees		1,240,348	224,251	1,464,599	75,817	1,540,416
Debt issuance costs		324,813	383,172	707,985	(22,828)	685,157
Depreciation					350,310	350,310
Total Expenditures/Expenses	1,946,406	2,437,719	6,233,160	10,617,285	(6,155,031)	4,462,254
Revenues Over/(Under) Expenditures/Expenses	219,190	598,324	(6,232,425)	(5,414,911)	6,136,796	721,885
Other Financing Sources/(Uses)						
Proceeds from sale of bonds		13,433,477	6,446,523	19,880,000	(19,880,000)	
Bond discount		(141,072)	(147,546)	(288,618)	288,618	
Payment to refunded bond escrow agent		(12,732,933)		(12,732,933)	12,732,933	
Other Item						
Transfers to other governments					(2,291,991)	(2,291,991)
Net Change in Fund Balances	219,190	1,157,796	66,552	1,443,538	(1,443,538)	
Change in Net Position					(1,570,106)	(1,570,106)
Fund Balance/Net Position						
Beginning of the year	1,422,525	3,869,607	1,737,769	7,029,901	(15,477,145)	(8,447,244)
End of the year	$ 1,641,715	$ 5,027,403	$ 1,804,321	$ 8,473,439	$ (18,490,789)	$ (10,017,350)

See notes to basic financial statements.

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Note 1 – Summary of Significant Accounting Policies

The accounting policies of Harris County Municipal Utility District No. 468 (the "District") conform with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board. The following is a summary of the most significant policies:

Creation

The District was organized, created and established pursuant to an order of the Texas Commission on Environmental Quality dated August 15, 2006, and operates in accordance with the Texas Water Code, Chapters 49 and 54. The Board of Directors held its first meeting on August 24, 2006 and the first bonds were sold on July 17, 2008.

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

Reporting Entity

The District is a political subdivision of the State of Texas governed by an elected five-member board. The Governmental Accounting Standards Board has established the criteria for determining whether or not an entity is a primary government or a component unit of a primary government. The primary criteria are that it has a separately elected governing body; it is legally separate; and it is fiscally independent of other state and local governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District's financial statements as component units.

Government-Wide and Fund Financial Statements

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

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

Note 1 – Summary of Significant Accounting Policies (continued)

Government-Wide and Fund Financial Statements (continued)

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

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

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

Measurement Focus and Basis of Accounting

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

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

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

Use of Restricted Resources

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

Note 1 – Summary of Significant Accounting Policies (continued)

Prepaid Bond Insurance

Prepaid bond insurance reduces the District's borrowing costs and is, therefore, recorded as asset in the government-wide *Statement of Net Position* and amortized to interest expense over the life of the bonds.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. At May 31, 2015, allowances of $5,866 and $1,500 were provided for possible uncollectible property taxes and water/sewer accounts, respectively.

Interfund Activity

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

Capital Assets

Capital assets, which primarily consist of water, wastewater and drainage facilities, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial cost of $5,000 or more and an estimated useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at the estimated fair market value at the date of donation. The District has not capitalized interest incurred during the construction of its capital assets. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Capital assets are depreciated using the straight-line method as follows:

Assets	Useful Life
Infrastructure	10-45 years

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

Deferred Inflows and Outflows of Financial Resources

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

Note 1 – Summary of Significant Accounting Policies (continued)

Deferred Inflows and Outflows of Financial Resources (continued)

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

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

Fund Balances – Governmental Funds

Governmental accounting standards establish the following fund balance classifications:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The District's nonspendable fund balance consists of prepaid items and operating reserves paid to Charterwood Municipal Utility District for the joint wastewater treatment plant.

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

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

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

Unassigned - all other spendable amounts in the General Fund and deficit balances in other funds.

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

Note 1 – Summary of Significant Accounting Policies (continued)

Use of Estimates

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

Note 2 – Adjustment from Governmental to Government-wide Basis

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

Total fund balance, governmental funds		$ 8,473,439
Future reimbursements from North Harris County Regional Water Authority for the cost associated with chloramine conversion facilities are not available in the current period and are not reported in the funds.		214,800
Prepaid bond insurance is recorded as an expenditure at the fund level, but is recorded as a prepaid asset and amortized to interest expense over the life of the bonds in the government wide statements.		21,560
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
Historical cost	$ 25,603,589	
Less accumulated depreciation	(2,353,468)	
Change due to capital assets		23,250,121
The difference between the face amount of bonds refunded and the amount paid to the escrow agent is recorded as a deferred difference on refunding in the *Statement of Net Position* and amortized to interest expense. It is not recorded in the fund statements because it is not a financial resource.		938,502
Amounts due to the District's developers for prefunded construction and operating advances are recorded as a liability in the *Statement of Net Position.*		(2,725,826)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. The difference consists of:		
Bonds payable, net	(39,890,557)	
Interest payable on bonds	(360,530)	
Change due to long-term debt		(40,251,087)
Receivables that are not collected within sixty days of fiscal year end are not considered available to pay current period expenditures and are deferred in the funds.		
Property taxes	20,785	
City of Houston sales tax rebates	40,356	
		61,141
Total net position - governmental activities		$ (10,017,350)

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

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

Net change in fund balances - total governmental funds		$ 1,443,538
Governmental funds do not report revenues that are not available to pay current obligations. In contrast, such revenues are reported in the *Statement of Activities* when earned. The difference is for:		
Property taxes and related penalties and interest	$ (14,948)	
City of Houston sales tax rebates	40,356	
		25,408
Credits received from North Harris County Regional Water Authority to reimburse the District for chloramine conversion costs are recognized as revenue when the credit is taken in the funds. In the government wide statements, the full amount of the reimbursement was recorded as revenue and receivable when approved by the Authority. The monthly credit reduces the receivable and includes an interest component.		(3,241)
Governmental funds report capital outlays for developer reimbursements and construction costs as expenditures in the funds; however, in the *Statement of Activities,* the cost of capital assets is charged to expense over the estimated useful life of the asset. Road facilities are recorded as transfers to other governments.		
Capital outlays	5,723,330	
Transfers to other governments	(2,291,991)	
Depreciation expense	(350,310)	
		3,081,029
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal uses current financial resources. However, neither transaction has any effect on net assets. Other elements of debt financing are reported differently between the fund and government wide statements.		
Issuance of long term debt	(19,880,000)	
Bond discount	288,618	
Payment to refunded bond escrow agent	12,732,933	
Principal payments	835,000	
Interest expense accrual	(116,219)	
Prepaid bond insurance	22,828	
		(6,116,840)
Change in net position of governmental activities		$ (1,570,106)

Note 3 – Deposits and Investments

Deposit Custodial Credit Risk

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

Investments

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

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

Note 3 – Deposits and Investments (continued)

As of May 31, 2015, the District's investments consist of the following:

Type	Fund	Carrying Value	Percentage of Total	Rating	Weighted Average Maturity
Certificates of deposit	Debt Service	$ 482,441	7%	N/A	N/A
TexPool	General	841,242			
	Debt Service	3,985,138			
	Capital Projects	1,832,272			
		6,658,652	93%	AAAm	79 days
Total		$ 7,141,093	100%		

The District's investments in certificates of deposit are stated at cost, which approximates fair value.

TexPool

The District participates in TexPool, the Texas Local Government Investment Pool. The State Comptroller of Public Accounts exercises oversight responsibility of TexPool, which includes (1) the ability to significantly influence operations, (2) designation of management and (3) accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure. Although TexPool is not registered with the SEC as an investment company, it operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. As permitted by GAAP, TexPool uses amortized cost (which excludes unrealized gains and losses) rather than market value to compute share price. Accordingly, the fair value of the District's position in TexPool is the same as the value of TexPool shares.

Investment Credit and Interest Rate Risk

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

Note 4 – Amounts Due to/from Other Funds

Amounts due to/from other funds at May 31, 2015, consist of the following:

	Interfund Receivable	Interfund Payable
General Fund	$ 32,455	$ -
Debt Service Fund		32,455
	$ 32,455	$ 32,455

Amounts reported as due to/from between funds are considered temporary loans needed for normal operations and will be repaid during the following fiscal year.

Note 5 – Capital Assets

A summary of changes in capital assets, for the year ended May 31, 2015, follows:

	Beginning Balances	Additions	Ending Balances
Capital assets not being depreciated			
Land and improvements	$ 9,910,796	$ -	$ 9,910,796
Construction in progress		49,600	49,600
	9,910,796	49,600	9,960,396
Capital assets being depreciated			
Infrastructure	15,293,211	349,982	15,643,193
Less accumulated depreciation	(2,003,158)	(350,310)	(2,353,468)
Subtotal depreciable capital assets, net	13,290,053	(328)	13,289,725
Capital assets, net	$ 23,200,849	$ 49,272	$ 23,250,121

Depreciation expense for the current year was $350,310.

Note 6 – Due to Developers

The District has entered into financing agreements with its developers for the financing of the construction of water, sewer, drainage and road facilities. Under the agreements, the developers will advance funds for the construction of facilities to serve the District. The developers will be reimbursed from proceeds of future bond issues or other lawfully available funds, subject to approval by TCEQ, if applicable. The District does not record the capital asset and related liability on the government wide statements until construction of the facilities is complete.

Note 6 – Due to Developers (continued)

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

Due to developers, beginning of year	$	5,757,583
Developer reimbursements		(5,377,978)
Developer funded construction and adjustments		2,346,221
Due to developers, end of year	$	2,725,826

In addition, the District will owe the developers approximately $439,795, which is included in the following schedule of contractual commitments. The exact amount is not known until approved by the TCEQ and audited by the District's auditor. As previously noted, these projects will be reported in the government-wide financial statements upon completion of construction.

	Contract Amount		Amounts Paid		Remaining Commitment	
Sanitary and waterline connection along Louetta Road and Vintage Prepserve Pkwy	$	439,795	$	366,273	$	73,522

Note 7 – Long–Term Debt

Long-term debt is comprised of the following:

Bonds payable	$	40,590,000
Unamortized discounts		(699,443)
	$	39,890,557
Due within one year	$	1,470,000

Note 7 – Long–Term Debt (continued)

The District's bonds payable at May 31, 2015, consists of unlimited tax bonds as follows:

Series	Amounts Outstanding	Original Issue	Interest Rates	Maturity Date, Serially, Beginning/ Ending	Interest Payment Dates	Call Dates
2008	$ 995,000	$ 15,100,000	5.1% - 6.0%	September 1, 2010 - 2031	September 1, March 1	September 1, 2015
2010	4,145,000	4,625,000	3.0% - 5.0%	September 1, 2011 - 2032	September 1, March 1	September 1, 2018
2011	3,715,000	4,135,000	3.0% - 4.875%	September 1, 2012 - 2032	September 1, March 1	September 1, 2019
2013	4,520,000	4,630,000	2.0% - 4.0%	September 1, 2014 - 2037	September 1, March 1	September 1, 2020
2014	7,335,000	7,335,000	2.0% - 4.0%	September 1, 2015 - 2038	September 1, March 1	September 1, 2022
2014 Road	5,370,000	5,370,000	2.0% - 4.0%	September 1, 2015 - 2038	September 1, March 1	September 1, 2022
2015 Refunding	13,215,000	13,215,000	2.0% - 3.125%	September 1, 2015 - 2031	September 1, March 1	September 1, 2023
2015 Road	1,295,000	1,295,000	2.0% - 3.75%	September 1, 2016 - 2038	September 1, March 1	September 1, 2023
	$ 40,590,000					

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

At May 31, 2015, the District had authorized but unissued bonds in the amount of $11,375,000 for water, sewer and drainage facilities; $15,000,000 for park and recreational facilities; $8,215,000 for road improvements; and $38,830,000 for refunding purposes.

On July 30, 2014, the District issued its $5,370,000 Series 2014 Unlimited Tax Road Bonds at a net effective interest rate of 3.784702% to reimburse developers for the cost of capital assets constructed within the District plus interest expense at the net effective interest rate of the bonds.

Note 7 – Long–Term Debt (continued)

On February 26, 2015, the District issued its $13,215,000 Series 2015 Unlimited Tax Refunding Bonds at a net effective interest rate of 2.744119% to advance refund $12,045,000 of outstanding Series 2008 bonds. The District advance refunded the bonds to reduce total debt service payments over future years by approximately $3,142,299 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately $2,467,754. Proceeds of the bonds were placed in an irrevocable trust for the purpose of generating resources for the debt service payments through September 1, 2015, the redemption date of the bonds. As of May 31, 2015, the outstanding principal of defeased bonds is $12,045,000.

On April 29, 2015, the District issued its $1,295,000 Series 2015 Unlimited Tax Road Bonds at a net effective interest rate of 3.494476% to reimburse developers for the cost of capital assets constructed within the District plus interest expense at the net effective interest rate of the bonds.

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

Bonds payable, beginning of year	$	33,590,000
Bonds issued		19,880,000
Bonds retired		(835,000)
Bonds refunded		(12,045,000)
Bonds payable, end of year	$	40,590,000

Note 7 – Long–Term Debt (continued)

As of May 31, 2015, annual debt service requirements on bonds outstanding are as follows:

Year	Principal	Interest	Totals
2016	$ 1,470,000	$ 1,341,364	$ 2,811,364
2017	1,450,000	1,268,232	2,718,232
2018	1,510,000	1,226,458	2,736,458
2019	1,565,000	1,190,731	2,755,731
2020	1,620,000	1,152,974	2,772,974
2021	1,670,000	1,112,475	2,782,475
2022	1,725,000	1,067,962	2,792,962
2023	1,800,000	1,019,656	2,819,656
2024	1,855,000	968,288	2,823,288
2025	1,930,000	913,896	2,843,896
2026	1,990,000	852,321	2,842,321
2027	2,070,000	783,326	2,853,326
2028	2,155,000	710,236	2,865,236
2029	2,240,000	633,096	2,873,096
2030	2,340,000	551,673	2,891,673
2031	2,440,000	465,399	2,905,399
2032	2,535,000	373,932	2,908,932
2033	1,715,000	290,335	2,005,335
2034	1,010,000	234,976	1,244,976
2035	1,060,000	195,726	1,255,726
2036	1,110,000	154,044	1,264,044
2037	1,165,000	109,388	1,274,388
2038	1,210,000	62,088	1,272,088
2039	955,000	18,994	973,994
	$ 40,590,000	$ 16,697,566	$ 57,287,566

Note 8 – Property Taxes

On November 7, 2006, the voters of the District authorized the District's Board of Directors to levy taxes annually for use in financing general operations limited to $1.50 per $100 of assessed value. The District's bond resolutions require that property taxes be levied for use in paying interest and principal on long-term debt and for use in paying the cost of assessing and collecting taxes. Taxes levied to finance debt service requirements on long-term debt are without limitation as to rate or amount.

Note 8 – Property Taxes (continued)

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

Property taxes are collected based on rates adopted in the year of the levy. The District's 2015 fiscal year was financed through the 2014 tax levy, pursuant to which the District levied property taxes of $0.79 per $100 of assessed value, of which $0.07 was allocated to maintenance and operations, $0.635 was allocated to debt service and $0.085 was allocated to road debt service. The resulting tax levy was $3,387,045 on the adjusted taxable value of $428,739,880. Approximately 64% of the taxable property within the District is owned by the top taxpayers.

Net property taxes receivable, at May 31, 2015, consisted of the following:

Current year taxes receivable	$ 6,232
Prior years taxes receivable	14,849
Less allowance for uncollectible accounts	(5,866)
	15,215
Penalty and interest receivable	5,570
Net property taxes receivable	$ 20,785

Note 9 – Strategic Partnership Agreement

Effective April 9, 2007, subsequently amended on November 16, 2012, the District and the City of Houston (the "City") entered into a Strategic Partnership Agreement under which the City annexed the District for the limited purposes of applying the City's Planning, Zoning, Health and Safety Ordinances within the District. The District continues to exercise all powers and functions of a municipal utility district. As consideration for the District providing services described in the agreement, the City agreed to remit 50% of a 1% sale and use tax collected from retailers located in the District's boundaries. The City agrees that it will not annex all or part of the District during the thirty year term of this agreement.

During the fiscal year ended May 31, 2015, the District recorded $415,487 in revenues from the City in accordance with this agreement.

Note 10 – Wastewater Treatment Facilities Agreement

On September 13, 2005, V&W Partners, Ltd., on behalf of the District, entered into an agreement with Charterwood Municipal Utility District (Charterwood), as amended, to supply wastewater services to the District. This agreement was subsequently assigned to the District on September 12, 2006. The District shares in a 1,050,000 gallons per day (gpd) expansion of the Charterwood wastewater treatment plant with 850,000 gpd designated for the District.

Charterwood holds title to the plant for the benefit of both parties. Each of the parties has an undivided, equitable interest in the plant, plant site and related capacity based on the pro rata share of capacity. The term of this agreement is 50 years, and at which time will be renewable in one year increments.

All expenditures incurred in the operation of the plant are distributed to each district on a pro rata basis, based on equivalent single family connections. In a previous fiscal year, the District paid an operating reserve of $5,874 to Charterwood for its portion of operating expenditures, pursuant to this agreement. The District has also recorded $240,013 in expenditures related to this agreement in the current fiscal year.

Note 11 – Regional Water Authority

Creation and Purpose

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 and was created to provide a regional entity to develop and implement a strategy for complying with the surface water conversion requirements mandated by the Harris-Galveston Coastal Subsidence District, which regulates groundwater withdrawal. The Authority is responsible for the construction and maintenance of the necessary facilities to provide surface water as an alternative to groundwater. The Authority began providing surface water in January 2011 and continues to construct additional facilities to expand its service delivery area.

Regional Water Fees

As of May 31, 2014, the groundwater fee was $2.00 per 1,000 gallons of water and the surface water fee was $2.45 per 1,000 gallons. These rates are subject to future increases. The District passes these costs on to its customers. During the current year, the District has recorded $401,091 in expenditures for surface/ground water from the Authority and billed its customers $358,674 to offset the fees charged by the Authority.

Note 11 – Regional Water Authority (continued)

Chloramination Credit

The Authority agreed to reimburse the District $224,695 for costs incurred for the construction of a chloramines disinfection system. The District will receive the reimbursement over 30 years at 6% interest by taking credits against fees due to the Authority. For the current fiscal year, the District received a credit in the amount of $16,324, which is recorded as revenue in the fund statements. At the government wide level, the receivable will be reduced and interest revenues recorded as the credit is taken.

The following schedule summarizes the amortization of future annual chloramination credits at the government wide level:

Fiscal Years Ending May 31	Principal	Interest	Total
2016	$ 3,436	$ 12,888	$ 16,324
2017	3,642	12,682	16,324
2018	3,860	12,463	16,323
2019	4,092	12,232	16,324
2020	4,338	11,986	16,324
2021	4,598	11,726	16,324
2022	4,874	11,450	16,324
2023	5,166	11,158	16,324
2024	5,476	10,848	16,324
2025	5,805	10,519	16,324
2026	6,153	10,171	16,324
2027	6,522	9,802	16,324
2028	6,914	9,410	16,324
2029	7,328	8,995	16,323
2030	7,768	8,556	16,324
2031	8,234	8,090	16,324
2032	8,728	7,596	16,324
2033	9,252	7,072	16,324
2034	9,807	6,517	16,324
2035	10,395	5,928	16,323
2036	11,019	5,305	16,324
2037	11,680	4,644	16,324
2038	12,381	3,943	16,324
2039	13,124	3,200	16,324
2040	13,911	2,412	16,323
2041	14,746	1,578	16,324
2042	11,551	693	12,244
	$ 214,800	$ 221,864	$ 436,664

Note 12 – Transfers to Other Governments

Harris County assumes responsibility for the maintenance of public roads constructed within the boundaries of the District. Accordingly, these facilities are considered to be capital assets of Harris County, not the District. For the year ended May 31, 2015, the District recorded transfers to other governments in the amount of $2,291,991 for road facilities constructed by a developer within the District and subsequently conveyed to Harris County for maintenance.

Note 13 – Risk Management

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

Note 14 – Subsequent Event

On August 12, 2015, the District issued its $1,985,000 Series 2015A Unlimited Tax Road Bonds at a net effective rate of 3.782608%. Proceeds from the bonds were used to reimburse the District's developers for costs associated with the construction of capital assets in the District.

Required Supplementary Information

Harris County Municipal Utility District No. 468
Required Supplementary Information - Budgetary Comparison Schedule - General Fund
For the Year Ended May 31, 2015

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Water service	$ 500,000	$ 509,025	$ 9,025
Sewer service	290,000	336,846	46,846
Property taxes	445,900	288,404	(157,496)
Penalties and interest	6,000	18,412	12,412
Chloramines conversion reimbursement	16,324	16,324	
Tap connection and inspection	51,000	251,740	200,740
Regional water authority fees	344,400	358,674	14,274
City of Houston sales tax rebates	325,000	375,131	50,131
Miscellaneous	4,950	9,943	4,993
Investment earnings	500	1,097	597
Total Revenues	1,984,074	2,165,596	181,522
Expenditures			
Current service operations			
Purchased services	220,000	240,013	(20,013)
Professional fees	142,000	249,070	(107,070)
Contracted services	115,300	250,244	(134,944)
Repairs and maintenance	356,000	541,497	(185,497)
Utilities	45,000	39,210	5,790
Regional water authority fees	352,000	401,091	(49,091)
Administrative	33,464	30,429	3,035
Other	4,150	6,502	(2,352)
Capital outlay		188,350	(188,350)
Total Expenditures	1,267,914	1,946,406	(678,492)
Revenues Over Expenditures	716,160	219,190	(496,970)
Fund Balance			
Beginning of the year	1,422,525	1,422,525	
End of the year	$ 2,138,685	$ 1,641,715	$ (496,970)

Budgets and Budgetary Accounting

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

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Texas Supplementary Information

Harris County Municipal Utility District No. 468
TSI-1. Services and Rates
May 31, 2015

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

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

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

☐ Other (Specify): ____________________

2. Retail Service Providers
(You may omit this information if your district does not provide retail services)

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

	Minimum Charge	Minimum Usage	Flat Rate (Y / N)	Rate per 1,000 Gallons Over Minimum Usage	Usage Levels		
Water:	$ 19.75	-0-	N	$ 1.00	8,001	to	15,000
				$ 1.50	15,001	to	30,000
				$ 2.00	30,001	to	no limit
Wastewater:	$ 19.75	-0-	Y			to	
Surcharge:						to	

District employs winter averaging for wastewater usage? ☐ Yes ☐ No

Total charges per 10,000 gallons usage: Water $ 21.75 Wastewater $ 19.75

b. Water and Wastewater Retail Connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC'S
Unmetered			x 1.0	
less than 3/4"	233	227	x 1.0	227
1"	142	139	x 2.5	348
1.5"	4	4	x 5.0	20
2"	78	69	x 8.0	552
3"	4	3	x 15.0	45
4"	2	2	x 25.0	50
6"	5	5	x 50.0	250
8"	8	7	x 80.0	560
10"			x 115.0	
Total Water	476	456		2,052
Total Wastewater	420	402	x 1.0	402

See accompanying auditor's report.

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

Gallons pumped into system:	162,867,000	Water Accountability Ratio: (Gallons billed / Gallons pumped)
Gallons billed to customers:	147,746,000	90.72%

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

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

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

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

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

5. Location of District (required for first audit year or when information changes, otherwise this information may be omitted):

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

   County(ies) in which the District is located: Harris County

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

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

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

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

   ETJs in which the District is located: City of Houston

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

   If Yes, by whom? ______

See accompanying auditors' report.

Harris County Municipal Utility District No. 468
TSI-2 General Fund Expenditures
For the Year Ended May 31, 2015

Purchased services	$ 240,013
Professional fees	
Legal	134,075
Audit	12,000
Engineering	102,995
	249,070
Contracted services	
Bookkeeping	36,141
Operator	51,164
Sales tax consultant	7,200
Tap connection and inspection	155,739
	250,244
Repairs and maintenance	541,497
Utilities	39,210
Regional water authority fees	401,091
Administrative	
Directors fees	7,650
Printing and office supplies	7,111
Insurance	9,139
Other	6,529
	30,429
Other	6,502
Capital outlay	188,350
Total expenditures	$ 1,946,406

Reporting of Utility Services in Accordance with HB 3693:

	Usage	Cost
Electrical	411,614 kwh	$ 39,210
Water	N/A	N/A
Natural Gas	N/A	N/A

See accompanying auditors' report.

Harris County Municipal Utility District No. 468
TSI-3. Investments
May 31, 2015

Fund	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Interest Receivable
General					
TexPool	7913400002	Variable	N/A	$ 841,242	$ -
Debt Service					
TexPool	7913400003	Variable	N/A	3,545,406	
TexPool	7913400010	Variable	N/A	439,732	
Certificates of deposit	4188740	0.30%	08/21/15	241,602	175
Certificates of deposit	531593	0.60%	02/15/16	240,839	400
				4,467,579	575
Capital Projects					
TexPool	7913400007	Variable	N/A	161,159	
TexPool	7913400008	Variable	N/A	1,445,502	
TexPool	7913400009	Variable	N/A	118,445	
TexPool	7913400011	Variable	N/A	107,166	
				1,832,272	
Total - All Funds				$ 7,141,093	$ 575

See accompanying auditors' report.

Harris County Municipal Utility District No. 468
TSI-4. Taxes Levied and Receivable
May 31, 2015

	Maintenance Taxes	Debt Service Taxes	Road Debt Tax	Totals
Taxes Receivable, Beginning of Year	$ 4,120	$ 26,043	$ -	$ 30,163
Adjustments	(621)	(4,618)		(5,239)
Adjusted Receivable	3,499	21,425		24,924
2014 Original Tax Levy	284,990	2,585,265	346,059	3,216,314
Adjustments	15,128	137,233	18,370	170,731
Adjusted Tax Levy	300,118	2,722,498	364,429	3,387,045
Total to be accounted for	303,617	2,743,923	364,429	3,411,969
Tax collections:				
Current year	299,566	2,717,489	363,758	3,380,813
Prior years	2,409	13,532		15,941
Total Collections	301,975	2,731,021	363,758	3,396,754
Taxes Receivable, End of Year	$ 1,642	$ 12,902	$ 671	$ 15,215
Taxes Receivable, By Years				
2014	$ 552	$ 5,009	$ 671	$ 6,232
2013	139	761		900
2012	408	3,056		3,464
2011	543	4,076		4,619
Taxes Receivable, End of Year	$ 1,642	$ 12,902	$ 671	$ 15,215

	2014	2013	2012	2011
Property Valuations:				
Land	$ 108,469,223	$ 103,656,561	$ 82,446,590	$ 82,674,263
Improvements	311,642,590	238,190,849	181,368,739	151,223,862
Personal Property	29,501,394	31,044,530	30,309,092	29,459,458
Exemptions	(20,873,327)	(10,984,581)	(9,605,404)	(8,905,824)
Total Property Valuations	$ 428,739,880	$ 361,907,359	$ 284,519,017	$ 254,451,759
Tax Rates per $100 Valuation:				
Maintenance tax rates	$ 0.070	$ 0.13	$ 0.10	$ 0.10
Debt service tax rates	0.635	0.71	0.75	0.75
Road debt service tax rates	0.085			
	$ 0.790	$ 0.84	$ 0.85	$ 0.85
Adjusted Tax Levy:	$ 3,387,045	$ 3,040,022	$ 2,418,412	$ 2,162,840
Percentage of Taxes Collected to Taxes Levied **	99.82%	99.97%	99.86%	99.81%

* Maximum Maintenance Tax Rate Approved by Voters: $1.50 on November 7, 2006

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

See accompanying auditors' report.

Harris County Municipal Utility District No. 468
TSI-5. Long-Term Debt Service Requirements
Series 2008--by Years
May 31, 2015

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2016	$ 485,000	$ 39,044	$ 524,044
2017	510,000	13,005	523,005
	$ 995,000	$ 52,049	$ 1,047,049

See accompanying auditors' report.

Harris County Municipal Utility District No. 468
TSI-5. Long-Term Debt Service Requirements
Series 2010--by Years
May 31, 2015

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2016	$ 135,000	$ 190,781	$ 325,781
2017	145,000	185,768	330,768
2018	155,000	179,949	334,949
2019	165,000	173,465	338,465
2020	170,000	166,514	336,514
2021	180,000	159,074	339,074
2022	190,000	151,048	341,048
2023	205,000	142,278	347,278
2024	215,000	132,721	347,721
2025	225,000	122,489	347,489
2026	240,000	111,442	351,442
2027	255,000	99,466	354,466
2028	270,000	86,500	356,500
2029	285,000	72,625	357,625
2030	300,000	58,000	358,000
2031	320,000	42,500	362,500
2032	335,000	26,125	361,125
2033	355,000	8,875	363,875
	$ 4,145,000	$ 2,109,620	$ 6,254,620

See accompanying auditors' report.

Harris County Municipal Utility District No. 468
TSI-5. Long-Term Debt Service Requirements
Series 2011--by Years
May 31, 2015

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2016	$ 140,000	$ 157,487	$ 297,487
2017	145,000	153,212	298,212
2018	145,000	148,862	293,862
2019	155,000	144,169	299,169
2020	155,000	138,938	293,938
2021	165,000	133,131	298,131
2022	170,000	126,637	296,637
2023	170,000	119,837	289,837
2024	185,000	112,507	297,507
2025	195,000	104,310	299,310
2026	200,000	95,544	295,544
2027	210,000	86,188	296,188
2028	220,000	76,107	296,107
2029	235,000	65,300	300,300
2030	260,000	53,381	313,381
2031	270,000	40,463	310,463
2032	295,000	26,691	321,691
2033	400,000	9,750	409,750
	$ 3,715,000	$ 1,792,514	$ 5,507,514

See accompanying auditors' report.

Harris County Municipal Utility District No. 468
TSI-5. Long-Term Debt Service Requirements
Series 2013--by Years
May 31, 2015

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2016	$ 115,000	$ 151,044	$ 266,044
2017	120,000	148,694	268,694
2018	125,000	146,244	271,244
2019	130,000	143,694	273,694
2020	140,000	140,819	280,819
2021	145,000	137,430	282,430
2022	150,000	133,556	283,556
2023	160,000	129,094	289,094
2024	165,000	124,219	289,219
2025	175,000	119,119	294,119
2026	180,000	113,569	293,569
2027	190,000	107,556	297,556
2028	195,000	101,056	296,056
2029	205,000	94,056	299,056
2030	215,000	86,572	301,572
2031	225,000	78,597	303,597
2032	235,000	70,259	305,259
2033	245,000	61,100	306,100
2034	255,000	51,100	306,100
2035	270,000	40,600	310,600
2036	280,000	29,600	309,600
2037	295,000	18,100	313,100
2038	305,000	6,100	311,100
	$ 4,520,000	$ 2,232,178	$ 6,752,178

See accompanying auditors' report.

Harris County Municipal Utility District No. 468
TSI-5. Long-Term Debt Service Requirements
Series 2014--by Years
May 31, 2015

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2016	$ 160,000	$ 234,744	$ 394,744
2017	170,000	231,444	401,444
2018	175,000	227,994	402,994
2019	185,000	224,394	409,394
2020	195,000	220,594	415,594
2021	205,000	216,081	421,081
2022	215,000	210,562	425,562
2023	230,000	204,444	434,444
2024	240,000	197,682	437,682
2025	255,000	190,257	445,257
2026	265,000	182,457	447,457
2027	280,000	174,282	454,282
2028	295,000	165,657	460,657
2029	310,000	156,572	466,572
2030	325,000	146,854	471,854
2031	345,000	136,170	481,170
2032	360,000	124,488	484,488
2033	380,000	111,763	491,763
2034	400,000	98,113	498,113
2035	420,000	83,501	503,501
2036	445,000	67,544	512,544
2037	470,000	49,800	519,800
2038	490,000	30,600	520,600
2039	520,000	10,400	530,400
	$ 7,335,000	$ 3,696,397	$ 11,031,397

See accompanying auditors' report.

Harris County Municipal Utility District No. 468
TSI-5. Long-Term Debt Service Requirements
Series 2014 Road--by Years
May 31, 2015

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2016	$ 100,000	$ 178,000	$ 278,000
2017	140,000	175,600	315,600
2018	145,000	172,750	317,750
2019	150,000	169,800	319,800
2020	160,000	166,700	326,700
2021	165,000	163,450	328,450
2022	170,000	159,250	329,250
2023	180,000	154,000	334,000
2024	185,000	148,525	333,525
2025	195,000	142,825	337,825
2026	205,000	136,825	341,825
2027	210,000	130,600	340,600
2028	220,000	123,875	343,875
2029	230,000	116,562	346,562
2030	240,000	108,625	348,625
2031	250,000	100,050	350,050
2032	260,000	90,800	350,800
2033	270,000	80,863	350,863
2034	285,000	70,100	355,100
2035	295,000	58,500	353,500
2036	310,000	46,400	356,400
2037	320,000	33,800	353,800
2038	335,000	20,700	355,700
2039	350,000	7,000	357,000
	$ 5,370,000	$ 2,755,600	$ 8,125,600

See accompanying auditors' report.

Harris County Municipal Utility District No. 468
TSI-5. Long-Term Debt Service Requirements
Series 2015 Refunding--by Years
May 31, 2015

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2016	$ 335,000	$ 354,076	$ 689,076
2017	185,000	321,381	506,381
2018	730,000	312,231	1,042,231
2019	740,000	297,531	1,037,531
2020	760,000	282,531	1,042,531
2021	770,000	267,231	1,037,231
2022	790,000	251,631	1,041,631
2023	810,000	235,631	1,045,631
2024	820,000	219,331	1,039,331
2025	835,000	202,781	1,037,781
2026	850,000	181,681	1,031,681
2027	875,000	155,806	1,030,806
2028	900,000	129,181	1,029,181
2029	920,000	101,881	1,021,881
2030	940,000	73,981	1,013,981
2031	970,000	45,331	1,015,331
2032	985,000	15,391	1,000,391
	$ 13,215,000	$ 3,447,610	$ 16,662,610

See accompanying auditors' report.

Harris County Municipal Utility District No. 468
TSI-5. Long-Term Debt Service Requirements
Series 2015 Road--by Years
May 31, 2015

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2016	$ -	$ 36,188	$ 36,188
2017	35,000	39,128	74,128
2018	35,000	38,428	73,428
2019	40,000	37,678	77,678
2020	40,000	36,878	76,878
2021	40,000	36,078	76,078
2022	40,000	35,278	75,278
2023	45,000	34,371	79,371
2024	45,000	33,303	78,303
2025	50,000	32,115	82,115
2026	50,000	30,803	80,803
2027	50,000	29,428	79,428
2028	55,000	27,860	82,860
2029	55,000	26,100	81,100
2030	60,000	24,260	84,260
2031	60,000	22,288	82,288
2032	65,000	20,178	85,178
2033	65,000	17,984	82,984
2034	70,000	15,663	85,663
2035	75,000	13,125	88,125
2036	75,000	10,500	85,500
2037	80,000	7,688	87,688
2038	80,000	4,688	84,688
2039	85,000	1,594	86,594
	$ 1,295,000	$ 611,598	$ 1,906,598

See accompanying auditors' report.

Harris County Municipal Utility District No. 468
TSI-5. Long-Term Debt Service Requirements
All Bonded Debt Series--by Years
May 31, 2015

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2016	$ 1,470,000	$ 1,341,364	$ 2,811,364
2017	1,450,000	1,268,232	2,718,232
2018	1,510,000	1,226,458	2,736,458
2019	1,565,000	1,190,731	2,755,731
2020	1,620,000	1,152,974	2,772,974
2021	1,670,000	1,112,475	2,782,475
2022	1,725,000	1,067,962	2,792,962
2023	1,800,000	1,019,656	2,819,656
2024	1,855,000	968,288	2,823,288
2025	1,930,000	913,896	2,843,896
2026	1,990,000	852,321	2,842,321
2027	2,070,000	783,326	2,853,326
2028	2,155,000	710,236	2,865,236
2029	2,240,000	633,096	2,873,096
2030	2,340,000	551,673	2,891,673
2031	2,440,000	465,399	2,905,399
2032	2,535,000	373,932	2,908,932
2033	1,715,000	290,335	2,005,335
2034	1,010,000	234,976	1,244,976
2035	1,060,000	195,726	1,255,726
2036	1,110,000	154,044	1,264,044
2037	1,165,000	109,388	1,274,388
2038	1,210,000	62,088	1,272,088
2039	955,000	18,994	973,994
	$ 40,590,000	$ 16,697,566	$ 57,287,566

See accompanying auditors' report.

Harris County Municipal Utility District No. 468
TSI-6. Change in Long-Term Bonded Debt
May 31, 2015

	Bond Issue			
	Series 2008	Series 2010	Series 2011	Series 2013
Interest rate	5.10% - 6.00%	3.00% - 5.00%	3.00% - 4.875%	2.00% - 4.00%
Dates interest payable	9/1; 3/1	9/1; 3/1	9/1; 3/1	9/1; 3/1
Maturity dates	9/1/10 - 9/1/31	9/1/11 - 9/1/32	9/1/12 - 9/1/32	9/1/14 - 9/1/37
Beginning bonds outstanding	$ 13,500,000	$ 4,275,000	$ 3,850,000	$ 4,630,000
Bonds issued				
Bonds refunded	(12,045,000)			
Bonds retired	(460,000)	(130,000)	(135,000)	(110,000)
Ending bonds outstanding	$ 995,000	$ 4,145,000	$ 3,715,000	$ 4,520,000
Interest paid during fiscal year	$ 410,629	$ 195,026	$ 161,613	$ 153,294

Paying agent's name and city Series 2008, 2010, 2011, 2013 and 2014	Bank of New York Mellon Trust Company, N.A., Dallas, TX
Series 2014 Road, 2015 Refunding and 2015 Road	Amegy Bank N.A., Houston, TX

Bond Authority:	Water, Sewer and Drainage Bonds	Park Bonds	Road Bonds	Refunding Bonds
Amount Authorized by Voters	$ 47,200,000	$ 15,000,000	$ 14,880,000	$ 40,000,000
Amount Issued	(35,825,000)		(6,665,000)	(1,170,000)
Remaining To Be Issued	$ 11,375,000	$ 15,000,000	$ 8,215,000	$ 38,830,000

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

Debt Service Fund cash and investments balances as of May 31, 2015:	$ 5,059,866
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 2,386,982

See accompanying auditors' report.

Bond Issue				
Series 2014	Series 2014 Road	Series 2015 Refunding	Series 2015 Road	Totals
2.00% - 4.00% 9/1; 3/1 9/1/15 - 9/1/38	2.00% - 4.00% 9/1; 3/1 9/1/15 - 9/1/38	2.00% - 3.125% 9/1; 3/1 9/1/15 - 9/1/31	2.00% - 3.75% 9/1; 3/1 9/1/16 - 9/1/38	
$ 7,335,000	$ -	$ -	$ -	$ 33,590,000
	5,370,000	13,215,000	1,295,000	19,880,000
				(12,045,000)
				(835,000)
$ 7,335,000	$ 5,370,000	$ 13,215,000	$ 1,295,000	$ 40,590,000
$ 196,953	$ 119,333	$ 119,333	$ 119,333	$ 1,236,848

Harris County Municipal Utility District No. 468
TSI-7a. Comparative Schedule of Revenues and Expenditures - General Fund
For the Last Five Fiscal Years

	Amounts				
	2015	2014	2013	2012	2011
Revenues					
Water service	$ 509,025	$ 510,580	$ 441,396	$ 389,468	$ 315,039
Sewer service	336,846	295,524	240,178	192,977	166,874
Property taxes	288,404	471,664	287,451	250,183	205,201
Penalties and interest	18,412	24,869	19,172	1,617	7,553
Chloramines conversion reimbursement	16,324	16,324	16,324	4,081	
Tap connection and inspection	251,740	376,000	184,440	280,107	63,603
Regional Water Authority fees	358,674	318,926	294,103	250,021	203,548
City of Houston sales tax rebates	375,131	395,508	275,806	220,143	197,156
Miscellaneous	9,943	27,701	9,360	6,239	5,726
Investment earnings	1,097	431	515	341	211
Total Revenues	2,165,596	2,437,527	1,768,745	1,595,177	1,164,911
Expenditures					
Current service operations					
Purchased services	240,013	181,104	208,825	190,520	333,650
Professional fees	249,070	172,942	167,570	115,423	137,911
Contracted services	250,244	304,182	169,341	166,700	76,720
Repairs and maintenance	541,497	504,672	425,293	371,019	235,222
Utilities	39,210	37,630	35,494	44,878	42,975
Regional water authority fees	401,091	356,996	279,607	312,278	97,990
Administrative	30,429	31,022	30,376	31,670	28,259
Other	6,502	24,226	2,284	7,633	3,354
Capital outlay	188,350	132,588	137,876	110,071	48,915
Total Expenditures	1,946,406	1,745,362	1,456,666	1,350,192	1,004,996
Revenues Over Expenditures	$ 219,190	$ 692,165	$ 312,079	$ 244,985	$ 159,915

*Percentage is negligible

See accompanying auditors' report.

Percent of Fund Total Revenues				
2015	2014	2013	2012	2011
23%	22%	24%	24%	28%
16%	12%	14%	12%	14%
13%	19%	16%	16%	18%
1%	1%	1%	*	1%
1%	1%	1%	*	
12%	15%	10%	18%	5%
17%	13%	17%	16%	17%
17%	16%	16%	14%	17%
*	1%	1%	*	*
*	*	*	*	*
100%	100%	100%	100%	100%
11%	7%	12%	12%	29%
12%	7%	9%	7%	12%
12%	12%	10%	10%	7%
25%	21%	24%	23%	20%
2%	2%	2%	3%	4%
19%	15%	16%	20%	8%
1%	1%	2%	2%	2%
*	1%	*	*	*
9%	5%	8%	7%	4%
91%	71%	83%	84%	86%
9%	29%	17%	16%	14%

Harris County Municipal Utility District No. 468
TSI-7b. Comparative Schedule of Revenues and Expenditures - Debt Service Fund
For the Last Five Fiscal Years

	Amounts				
	2015	2014	2013	2012	2011
Revenues					
Property taxes	$ 2,983,766	$ 2,571,170	$ 2,155,882	$ 1,876,373	$ 1,549,862
Penalties and interest	7,093	10,206	3,842	8,260	15,712
Accrued interest on bonds sold	40,402	8,535	8,149	1,913	8,718
Investment earnings	4,782	1,657	3,339	3,210	5,330
Total Revenues	3,036,043	2,591,568	2,171,212	1,889,756	1,579,622
Expenditures					
Tax collection services	37,558	38,883	30,489	22,999	23,203
Debt service					
Principal	835,000	690,000	680,000	500,000	365,000
Interest and fees	1,240,348	1,302,014	1,178,305	1,105,610	1,002,789
Debt issuance costs	324,813				
Total Expenditures	2,437,719	2,030,897	1,888,794	1,628,609	1,390,992
Revenues Over Expenditures	$ 598,324	$ 560,671	$ 282,418	$ 261,147	$ 188,630
Total Active Retail Water Connections	456	439	352	243	181
Total Active Retail Wastewater Connections	402	389	309	198	142

*Percentage is negligible

See accompanying auditors' report.

Percent of Fund Total Revenues				
2015	2014	2013	2012	2011
98%	100%	100%	100%	98%
*	*	*	*	1%
2%	*	*	*	1%
*	*	*	*	*
100%	100%	100%	100%	100%
1%	2%	1%	1%	1%
28%	27%	31%	26%	23%
41%	50%	54%	59%	63%
11%				
81%	79%	86%	86%	87%
19%	21%	14%	14%	13%

Harris County Municipal Utility District No. 468
TSI-8. Board Members, Key Personnel and Consultants
For the Year Ended May 31, 2015

Complete District Mailing Address:	3200 Southwest Freeway, Suite 2600 Houston, TX 77027
District Business Telephone Number:	(713)860-6400
Submission Date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):	June 4, 2014
Limit on Fees of Office that a Director may receive during a fiscal year: (Set by Board Resolution -- TWC Section 49.0600)	$ 7,200

Names:	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid *	Expense Reimburse-ments	Title at Year End
Board Members				
Kenneth P. Carter	06/12 - 05/16	$ 1,950	$ 147	President
Lawrence Kupstas	05/14 - 05/18	1,200	226	Vice President
Robert Moore	05/14 - 05/18	1,500	181	Secretary/Treasurer
William T. Evans	06/12 - 05/16	1,950	74	Assistant Vice President
Lilly Golden	05/14 - 05/18	1,050	40	Assistant Secretary
Consultants		Amounts Paid		
Allen Boone Humphries Robinson LLP	08/06			Attorney
General		$ 135,122		
Bond counsel		329,312		
Severn Trent Environmental Services, Inc.	06/12	417,110		Operator
Avanta Services	10/06	39,376		Bookkeeper
Tax Tech, Inc.	04/07	8,044		Tax Collector
Harris County Appraisal District	Legislation	25,831		Property Valuation
Perdue, Brandon, Fielder, Collins & Mott, LLP	03/08	2,137		Delinquent Tax Attorney
Brown & Gay Engineers, Inc.	08/06	165,191		Engineer
McGrath & Co., PLLC	Annual	22,000		Auditor
Robert W. Baird, PLLC	01/15	161,402		Financial Advisor
Clark Condon Associates, Inc.	02/09			Landscape Architect
B & A Sales Tax Service	03/12	7,200		Sales Tax Consultant
RBC Capital Markets	08/06	109,097		Former Financial Advisor

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