

IN THE OPINION OF BOND COUNSEL, UNDER EXISTING LAW, INTEREST ON THE BONDS IS EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES AND INTEREST ON THE BONDS IS NOT SUBJECT TO THE ALTERNATIVE MINIMUM TAX ON INDIVIDUALS; HOWEVER, SUCH INTEREST IS TAKEN INTO ACCOUNT IN DETERMINING THE ANNUAL ADJUSTED FINANCIAL STATEMENT INCOME OF APPLICABLE CORPORATIONS FOR THE PURPOSE OF DETERMINING THE ALTERNATIVE MINIMUM TAX IMPOSED ON CORPORATIONS. SEE “TAX MATTERS” FOR A DISCUSSION OF BOND COUNSEL’S OPINION.

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

**NEW ISSUE—BOOK-ENTRY ONLY**  
**CUSIP No. 737513**

**RATINGS: Underlying “A-” (stable outlook) S&P**  
**See “MUNICIPAL BOND RATING” herein**

**\$5,820,000**  
**POST WOOD MUNICIPAL UTILITY DISTRICT**  
 (A political subdivision of the State of Texas, located in Harris County, Texas)  
**UNLIMITED TAX BONDS**  
**SERIES 2026**

**Dated: May 1, 2026**

**Due: March 1 (as shown below)**

Interest on the \$5,820,000 Unlimited Tax Bonds, Series 2026 (the “Bonds”) will accrue from May 1, 2026, and will be payable on September 1 and March 1 of each year, commencing September 1, 2026. The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company (“DTC”), pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or integral multiples thereof. **No physical delivery of the Bonds will be made to the owners thereof.** Principal of and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See “BOOK-ENTRY-ONLY SYSTEM” herein. The initial Paying Agent/Registrar is The Bank of New York Mellon Trust Company, N.A., Dallas, Texas. See “THE BONDS – Paying Agent/Registrar.”

**MATURITIES, AMOUNTS, INTEREST RATES, AND PRICES**

<u>Principal Amount</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Yield (a)</u>	<u>Principal Amount</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Yield (a)</u>
\$125,000	2028	%	%	\$230,000	2041(b)	%	%
\$130,000	2029	%	%	\$240,000	2042(b)	%	%
\$135,000	2030	%	%	\$255,000	2043(b)	%	%
\$145,000	2031	%	%	\$265,000	2044(b)	%	%
\$150,000	2032(b)	%	%	\$280,000	2045(b)	%	%
\$160,000	2033(b)	%	%	\$290,000	2046(b)	%	%
\$165,000	2034(b)	%	%	\$305,000	2047(b)	%	%
\$175,000	2035(b)	%	%	\$320,000	2048(b)	%	%
\$180,000	2036(b)	%	%	\$335,000	2049(b)	%	%
\$190,000	2037(b)	%	%	\$355,000	2050(b)	%	%
\$200,000	2038(b)	%	%	\$370,000	2051(b)	%	%
\$210,000	2039(b)	%	%	\$390,000	2052(b)	%	%
\$220,000	2040(b)	%	%				

- (a) The initial reoffering yields are established by and are the sole responsibility of the Underwriter (hereinafter defined) and may be subsequently changed. Accrued interest is to be added to the price.
- (b) The Bonds maturing on or after March 1, 2032, are subject to redemption in whole or from time to time in part, at the option of the District (hereinafter defined), on March 1, 2031, or on any date thereafter, at a price equal to the par value thereof plus accrued interest from the most recent interest payment date to the date fixed for redemption. In the event the Bonds are to be redeemed in part, the maturities and principal amounts to be redeemed shall be selected by the District. If fewer than all of the Bonds within any one maturity are redeemed, the Bonds to be redeemed shall be selected, on behalf of the District, by the Paying Agent/Registrar by lot or other customary method, in integral multiples of \$5,000 in any one maturity. See “THE BONDS – Optional Redemption.”

The proceeds of the Bonds will be used by Post Wood Municipal Utility District (the “District”) to finance: (1) certain water supply facility rehabilitation costs; (2) certain wastewater system facility rehabilitation costs; (3) District office improvements; (4) twelve months of capitalized interest on the Bonds; and (5) certain issuance and administrative expenses associated with the issuance of the Bonds. See “USE OF BOND PROCEEDS.” The Bonds, when issued, will constitute valid and binding obligations of the District and will be payable from the proceeds of a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied by the District against all taxable property within the District. See “THE BONDS – Source and Security for Payment.”

The Bonds are obligations solely of the District and are not obligations of the State of Texas, Harris County, the City of Houston, or any entity other than the District. Neither the faith and credit nor the taxing power of the State of Texas, Harris County, or the City of Houston, is pledged to the payment of the principal of or interest on the Bonds. **The Bonds are subject to certain investment considerations described under the caption “INVESTMENT CONSIDERATIONS.”**

The Bonds are offered when, as and if issued by the District, subject to approval by the Attorney General of Texas and the approval of certain legal matters by Marks Richardson PC, Houston, Texas, Bond Counsel. Certain other matters will be passed upon for the District by Norton Rose Fulbright US LLP, Houston, Texas as Disclosure Counsel. Delivery of the Bonds is expected through the facilities of DTC on or about May 21, 2026.

**Bids Due: Thursday, April 16, 2026 at 9:00 A.M. Houston Time**

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

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## **USE OF INFORMATION IN OFFICIAL STATEMENT**

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission ("SEC") as amended ("Rule 15c2-12" or the "Rule"), this Preliminary Official Statement constitutes an "official statement" of the District with respect to the Bonds that has been deemed "final" by the District as of its date except for the omission of no more than the information permitted by the Rule.

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

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

Any information and expressions of opinion herein contained are subject to change and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District or other matters described herein since the date hereof.

All of the summaries of the statutes, resolutions, orders, contracts, audits, engineering and other related reports set forth in this Official Statement are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents, copies of which are available from Bond Counsel, upon payment of the costs of duplication.

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

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

## **SALE AND DISTRIBUTION OF THE BONDS**

### **Award of the Bonds**

After requesting competitive bids for the Bonds, the District has accepted the bid producing the lowest net interest cost to the District, which was tendered by \_\_\_\_\_ (the "Underwriter"), to purchase the Bonds bearing the rates shown on the cover page of this Official Statement at a price of \_\_\_\_\_% of par plus accrued interest to the date of delivery, which resulted in a net effective interest rate of \_\_\_\_\_%, as calculated pursuant to Chapter 1204 of the Texas Government Code, as amended.

The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into unit investment trusts) and others at prices lower than the public offering price stated on the cover page hereof. The initial offering price may be changed from time to time by the Underwriter.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

### **Prices and Marketability**

The delivery of the Bonds is conditioned upon the receipt by the District of a certificate executed and delivered by the Underwriter on or before the date of delivery of the Bonds stating the prices at which a substantial number of the Bonds of each maturity have 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 Underwriter regarding the reoffering yields or prices of the Bonds and has no control over trading of the Bonds after their initial sale by the District. Moreover, there is no assurance that a secondary market will be made in the Bonds. If there is a secondary market, the difference between the bid and asked price of the bonds may be greater than the difference between the bids and asked prices 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. Information concerning reoffering yields or prices is the responsibility of the Underwriter.

THE PRICES AND OTHER TERMS RESPECTING THE OFFERING AND SALE OF THE BONDS MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER AFTER THE BONDS ARE RELEASED FOR SALE, AND THE BONDS MAY BE OFFERED AND SOLD AT PRICES OTHER THAN THE INITIAL OFFERING PRICES, INCLUDING SALES TO DEALERS WHO MAY SELL THE BONDS INTO INVESTMENT ACCOUNTS. IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The District has no control over the trading of the Bonds in the secondary market. Moreover, there is no assurance that a secondary market will be made in the Bonds. If there is a secondary market, the difference between the bid and asked price of the Bonds may be greater than the difference between the bids and asked prices 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 Bonds has been filed with the Securities and Exchange Commission ("SEC") under the Securities Act of 1933, as amended, in reliance upon the exemptions provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein nor have the Bonds been registered or qualified under the securities laws of any other jurisdiction. 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.

### **CONTINUING DISCLOSURE OF INFORMATION – SEC RULE 15c2-12**

In the bond order authorizing the issuance of the Bonds (the "Bond Order"), the District has made 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 certain material events, to the Municipal Securities Rulemaking Board (the "MSRB"). The MSRB has established the Electronic Municipal Market Access ("EMMA") system for information filing.

### **Annual Reports**

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

The information to be updated with respect to the District includes all quantitative financial information and operating data of the District of the general type included in this Official Statement included under the heading "DISTRICT DEBT" (except for "Estimated Overlapping Debt"), "TAX DATA," and "APPENDIX A" (Audited 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 2026. The District will provide the updated information to the MSRB or any successor to its functions as a repository through its EMMA system.

The District may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by the Rule. 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, 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 March 31. Accordingly, it must provide updated information by September 30, in each year, unless it changes its fiscal year. If the District changes its fiscal year, it will notify the MSRB via EMMA of the change.

### **Event Notices**

The District will provide timely notices of certain events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten business days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds; (7) modifications to rights of beneficial owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the District or other obligated person; (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person or the sale of all or substantially all of the assets of the District or other obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights,

or other similar terms of a financial obligation of the District or other obligated person, any of which affect Beneficial Owners of the Bonds, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District or other obligated person, any of which reflect financial difficulties. The terms “obligated person” and “financial obligation” when used in this paragraph shall have the meanings ascribed to them under the Rule. The term “material” when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Order makes any provisions for debt service reserves or liquidity enhancement. In addition, the District will provide timely notice of any failure by the District to provide financial information, operating data, or financial statements in accordance with its agreement described above under “Annual Reports.”

### **Availability of Information**

The District has agreed to provide the foregoing updated information only to the MSRB via EMMA. Investors will be able to access continuing disclosure information filed with the MSRB, without charge, at [www.emma.msrb.org](http://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 and only for so long as the District remains an “obligated person” with respect to the Bonds within the meaning of the Rule. The District has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results, 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 the 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 the Bonds may seek a writ of mandamus to compel the District to comply with its agreement. Nothing in this paragraph is intended or shall act to disclaim, waive or limit the District’s duties under federal or state securities laws.

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 type of operations of the District, if (1) the agreement, as amended would have permitted an underwriter to purchase or sell the Bonds in the offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule taking into account any amendments of the Rule as well as such changed circumstances, and (2) either (a) the registered owners of a majority in aggregate principal amount (or any greater amount required by any other provisions of the Order that authorizes such amendment) of the outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the District (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the registered owners and beneficial owners of the Bonds.

The District may also repeal or amend the provisions of its continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the District also may amend the provisions of its continuing disclosure agreement in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or selling the Bonds in the primary offering of the Bonds, giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule. If the District amends its agreement, it must include with the next financial information and operating data 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 type of information and data provided.

### **Compliance with Prior Undertakings**

During the last five years, the District has complied in all material respects with its prior continuing disclosure agreements made in accordance with the Rule.

### **MUNICIPAL BOND RATING**

In connection with the sale of the Bonds, the District has made application to S&P Global Ratings (“S&P”) which has assigned a rating of “A-” (stable outlook) on the Bonds based upon the District’s underlying credit without bond insurance. An explanation of the significance of such rating may be obtained from S&P. The rating reflects only the view of S&P and the District makes no representation as to the appropriateness of such rating. The District can make no assurance that the S&P rating will continue for any period of time or that such rating will not be revised downward or withdrawn entirely by S&P if in the judgment of S&P circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

### **BOND INSURANCE**

The District has applied to Assured Guaranty Inc. (“AG”) and Build America Mutual Assurance Company (“BAM”) for qualification of the Bonds for bond insurance. The Underwriter (as defined herein) may bid for the Bonds with or without bond insurance. If the Underwriter bids for the Bonds with bond insurance, the cost of the bond insurance premium must be paid for by the Underwriter. The District will pay for the cost of the S&P rating. The Underwriter must pay for the cost of any rating other than the S&P rating. If the Underwriter purchases the Bonds with bond insurance and subsequent to the sale date and prior to the closing date, the bond insurer’s credit rating is downgraded the Underwriter is still obligated to accept delivery of the Bonds. Information relative to the cost of the insurance premium will be available from AG and BAM on the day of the sale.

## OFFICIAL STATEMENT SUMMARY

The following material is a summary of certain information contained herein and is qualified in its entirety by the detailed information appearing elsewhere in this Official Statement. The reader should refer particularly to sections that are indicated for more complete information.

### **THE BONDS**

- Description:** \$5,820,000 Unlimited Tax Bonds, Series 2026 (the "Bonds"), are dated May 1, 2026. The Bonds represent the eighth series of bonds to be issued by Post Wood Municipal Utility District (the "District"). The Bonds will mature on March 1 in the years and in the principal amounts set forth on the cover page of this Official Statement. Interest on the Bonds will accrue from May 1, 2026, and is payable on September 1, 2026, and each March 1 and September 1 thereafter until maturity. See "THE BONDS."
- Source of Payment:** The Bonds are payable from a continuing direct annual ad valorem tax, without limit as to maximum rate or amount, levied against all taxable property within the District. The Bonds are obligations of the District and are not obligations of the State of Texas, Harris County, the City of Houston, or any other political subdivision or agency. See "THE BONDS – Source of and Security for Payment."
- Book-Entry-Only System:** The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC"), pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the beneficial owners thereof. Principal of and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM."
- Optional Redemption:** The Bonds maturing on March 1, 2032, are subject to early redemption, in whole or from time to time in part, on March 1, 2031, or on any date thereafter at the option of the District at a price of par plus accrued interest to the date of redemption. See "THE BONDS – Optional Redemption."
- Use of Proceeds:** Proceeds from the sale of the Bonds will be used by the District to finance: (1) certain water supply facility rehabilitation costs; (2) certain wastewater system facility rehabilitation costs; (3) District office improvements; (4) twelve months of capitalized interest on the Bonds; and (5) certain issuance and administrative expenses associated with the issuance of the Bonds. See "USE OF BOND PROCEEDS."
- Legal Opinion:** Marks Richardson PC, Bond Counsel, Houston, Texas. See "LEGAL MATTERS" and "TAX MATTERS."
- Payment Record:** This is the District's eighth bond issue. The District has never defaulted in payment of principal of or interest on its bonded indebtedness.
- Investment Considerations:** The Bonds are subject to certain investment considerations, as set forth in this Official Statement. Prospective purchasers should carefully examine this Official Statement with respect to the investment security of the Bonds particularly the section captioned "INVESTMENT CONSIDERATIONS."
- Qualified Tax-Exempt Obligations:** The District will designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended. See "TAX MATTERS – Qualified Tax-Exempt Obligations."
- Municipal Bond Rating:** In connection with the sale of the Bonds, the District has made application to S&P which has assigned a rating of "A-" (stable outlook) on the Bonds based upon the District's underlying credit without bond insurance. An explanation of the significance of such rating may be obtained from S&P. The rating reflects only the view of S&P and the District makes no representation as to the appropriateness of such rating. See "MUNICIPAL BOND RATING."
- Bond Insurance:** The District has applied to AG and BAM for qualification of the Bonds for bond insurance. The Underwriter (as defined herein) may bid for the Bonds with or without bond insurance. If the Underwriter bids for the Bonds with bond insurance, the cost of the bond insurance premium must be paid for by the Underwriter. Information relative to the cost of the insurance premium will be available from the bond insurance companies on the day of the sale. See "BOND INSURANCE."
- Paying Agent/Registrar:** The Bank of New York Mellon Trust Company, N.A., Dallas, Texas. See "THE BONDS – Paying Agent/Registrar."

## THE DISTRICT

- Description:** The District is a political subdivision of the State of Texas, created by Order of the Texas Water Rights Commission, a predecessor to the Texas Commission on Environmental Quality (the "TCEQ"), dated March 12, 1973, and operates pursuant to Article XVI, Section 59, of the Texas Constitution and Chapters 49 and 54 of the Texas Water Code, as amended. The District is located entirely within Harris County, Texas, and the extraterritorial jurisdiction of the City of Houston, Texas (the "City"). The District is located approximately 22 miles north of the central business district of the City. The District is located north of FM 1960 and east of Interstate 45 and more specifically on the north and south sides of Treaschwig Road and on the east and west side of Cypresswood Drive. See "THE DISTRICT."
- Development of the District:** The land within the District was developed for the most part in the mid-1970s and 1980s. The District presently contains approximately 319 acres. Land within the District has been predominantly developed as single-family residential with a limited amount of commercial retail development. According to the District's 2025 certified tax rolls as provided by the Harris Central Appraisal District ("HCAD" or the "Appraisal District"), approximately 88% of the taxable value in the District is comprised of single-family residential development and approximately 12% of the taxable value in the District is comprised of commercial retail development. The land that has been developed for single-family residential use includes 1,212 homes situated on approximately 267 acres of land. There are currently no homes under construction and no vacant developed residential lots remaining to be built upon. As of March 1, 2026, approximately 1,211 homes in the District were occupied.
- Approximately 52 acres have been developed for commercial retail use. As of March 1, 2026, there are approximately 24 commercial establishments located within the District, including but not limited to: daycare facilities, strip centers, fast food restaurants, a bank building, service stations, grocery stores, an automotive after-market facility, and personal self-storage facilities. Approximately 2.3 acres of commercial land have been developed with utilities and are currently vacant and available to be built upon. See "THE DISTRICT – Description, Location, and Status of Development."
- The System:** The District's water, sanitary sewer, and drainage system (the "System") is substantially complete. According to the District's Engineer (hereinafter defined), the existing water supply facilities are sufficient for the foreseeable future to serve the District at full development, based upon current projected or anticipated land uses. See "DESCRIPTION OF THE DISTRICT'S SYSTEM."

**SELECTED FINANCIAL INFORMATION  
(Unaudited)**

2025 Certified Taxable Value	\$253,857,179 (a)
Direct Debt (See "DISTRICT DEBT")	
Outstanding Bonds (as of March 2, 2026)	\$5,335,000
The Bonds	<u>\$5,820,000</u>
Total Direct Debt	\$11,155,000
Estimated Overlapping Debt	<u>\$19,155,023</u> (b)
Direct and Estimated Overlapping Debt	\$30,310,023
Percentage of Direct Debt to:	
2025 Certified Taxable Value	4.39%
See "DISTRICT DEBT"	
Percentage of Direct and Estimated Overlapping Debt to:	
2025 Certified Taxable Value	11.94%
See "DISTRICT DEBT"	
2025 Tax Rate Per \$100 of Assessed Value:	
Debt Service Tax	\$0.165
Maintenance Tax	<u>\$0.250</u>
Total 2025 Tax Rate	\$0.415
Cash and Temporary Investment Balances as of March 5, 2026:	
General Fund	\$3,072,965 (c)
Debt Service Fund (Pro-Forma)	\$466,936 (d)

- (a) Reflects the January 1, 2025 Certified Taxable Value according to data supplied to the District by the Harris Central Appraisal District ("HCAD" or the "Appraisal District"). See "TAX DATA" and "TAXING PROCEDURES."
- (b) See "DISTRICT DEBT – Estimated Overlapping Debt."
- (c) Unaudited figure per the District's records. Represents the combined balances in the District's Operating Fund and Maintenance Tax Fund. See "DESCRIPTION OF THE DISTRICT'S SYSTEM – General Fund Operating History."
- (d) Unaudited figure per the District's records. The cash and investment balance in the Debt Service Fund includes an estimate of twelve (12) months of capitalized interest to be funded with proceeds of the Bonds to be deposited into such fund on the date of delivery of the Bonds. See "USE OF BOND PROCEEDS." Neither Texas law nor the District's Bond Order requires that the District maintain any particular balance in the Debt Service Fund. See "TAX DATA – Adequacy of Tax Revenue."

**DEBT SERVICE REQUIREMENTS**

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

<u>Year</u>	<u>Outstanding Debt Service Requirements</u>	<u>Debt Service Requirements Requirements on the Bonds</u>		<u>Total Debt Service Requirements*</u>
		<u>Principal</u>	<u>Interest*</u>	
2026	\$394,887	-	\$92,150	\$487,037
2027	\$389,137	-	\$276,450	\$665,587
2028	\$383,262	\$125,000	\$273,481	\$781,743
2029	\$401,762	\$130,000	\$267,425	\$799,187
2030	\$394,762	\$135,000	\$261,131	\$790,893
2031	\$387,325	\$145,000	\$254,481	\$786,806
2032	\$404,075	\$150,000	\$247,475	\$801,550
2033	\$419,825	\$160,000	\$240,113	\$819,938
2034	\$409,950	\$165,000	\$232,394	\$807,344
2035	\$424,637	\$175,000	\$224,319	\$823,956
2036	\$438,512	\$180,000	\$215,888	\$834,400
2037	\$426,762	\$190,000	\$207,100	\$823,862
2038	\$458,918	\$200,000	\$197,838	\$856,756
2039	\$450,137	\$210,000	\$188,100	\$848,237
2040	\$190,950	\$220,000	\$177,888	\$588,838
2041	\$211,075	\$230,000	\$167,200	\$608,275
2042	\$205,825	\$240,000	\$156,038	\$601,863
2043	\$200,575	\$255,000	\$144,281	\$599,856
2044	\$195,325	\$265,000	\$131,931	\$592,256
2045	\$204,850	\$280,000	\$118,988	\$603,838
2046	\$209,000	\$290,000	\$105,450	\$604,450
2047	\$203,000	\$305,000	\$91,319	\$599,319
2048	-	\$320,000	\$76,475	\$396,475
2049	-	\$335,000	\$60,919	\$395,919
2050	-	\$355,000	\$44,531	\$399,531
2051	-	\$370,000	\$27,313	\$397,313
2052	-	\$390,000	\$9,263	\$399,263
<b>TOTALS</b>	<b>\$7,404,551</b>	<b>\$5,820,000</b>	<b>\$4,489,938</b>	<b>\$17,714,489</b>

Maximum Annual Debt Service Requirement (2038) .....\$856,756\*

Requires a \$0.36 debt service tax rate on the 2025 Certified Taxable Value of \$253,857,179  
at 95% collections .....\$868,192\*

See "TAX DATA – Adequacy of Tax Revenue."

\* Preliminary, subject to change.

## OFFICIAL STATEMENT

relating to

**\$5,820,000**

**POST WOOD MUNICIPAL UTILITY DISTRICT**  
**(A political subdivision of the State of Texas located within Harris County, Texas)**

**UNLIMITED TAX BONDS**  
**SERIES 2026**

### INTRODUCTION

This Official Statement provides certain information in connection with the issuance by Post Wood Municipal Utility District (the "District") of its \$5,820,000 Unlimited Tax Bonds, Series 2026 (the "Bonds").

The Bonds are issued pursuant to Article XVI, Section 59 of the Texas Constitution and the general laws of the State of Texas, including but not limited to Chapters 49 and 54, Texas Water Code, as amended, an order authorizing issuance of the Bonds (the "Bond Order") adopted by the Board of Directors (the "Board") of the District, an approving order of the Texas Commission on Environmental Quality (the "TCEQ"), and elections held within the District.

This Official Statement includes descriptions of the Bonds, the Bond Order, certain information about the District, and the District's financial condition. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from Bond Counsel upon payment of duplication costs thereof.

### INVESTMENT CONSIDERATIONS

#### General

The Bonds are obligations of the District and are not obligations of the State of Texas, Harris County, the City of Houston, or any other political subdivision. The Bonds are payable from a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property within the District. See "THE BONDS – Source of and Security for Payment." The investment quality of the Bonds depends on the ability of the District to collect all taxes levied against the taxable property within the District and, in the event of foreclosure of the District's tax lien, on the marketability of the property and the ability of the District to sell the property at a price sufficient to pay taxes levied by the District and by other overlapping taxing authorities. The District cannot and does not make any representations that over the life of the Bonds the taxable property within the District will accumulate or maintain taxable values sufficient to generate property taxes to pay debt service at current levels.

#### Marketability

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

#### Tax Collections

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. See "TAXING PROCEDURES – District's Rights in the Event of Tax Delinquencies."

## **Registered Owners' Remedies**

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

## **Bankruptcy Limitation to Registered Owners' Rights**

The enforceability of the rights and remedies of the 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. Specifically, the District may voluntarily file a petition for protection from creditors under the federal bankruptcy laws. During the pendency of the bankruptcy proceedings, the remedy of mandamus would not be available to the Registered Owners unless authorized by a federal bankruptcy judge.

Subject to the requirements of Texas law, the District may voluntarily proceed under Chapter 9 of the Federal Bankruptcy Code, 11 U.S.C. Section 901-946, if the District: (a) is generally authorized to file for federal bankruptcy protection by the State law; (b) is insolvent or unable to meet its debts as they mature; (c) desires to effect a plan to adjust such debts; and (d) has either obtained the agreement of, or negotiated in good faith with, its creditors or is unable to negotiate with its creditors because negotiation is impracticable. Under Texas law, the District must obtain the approval of the TCEQ prior to filing bankruptcy. Such law requires that the TCEQ investigate the financial condition of the District and authorize the District to proceed only if the District has fully exercised its rights and powers under Texas law and remains unable to meet its debts and other obligations as they mature.

Notwithstanding noncompliance by a district with Texas law requirements, a district could file a voluntary bankruptcy petition under Chapter 9, thereby invoking the protection of the automatic stay until the bankruptcy court, after a hearing, dismisses the petition. A federal bankruptcy court is a court of equity and federal bankruptcy judges have considerable discretion in the conduct of bankruptcy proceedings and in 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 Owners could potentially and adversely impair the value of the Registered Owners' claim.

If a petitioning district were allowed to proceed voluntarily under Chapter 9 of the Federal Bankruptcy Code, it could file a plan for an adjustment of its debts. If such a plan were confirmed by the bankruptcy court, it could, among other things, affect Registered Owners by reducing or eliminating the amount of indebtedness, deferring or rearranging the debt service schedule, reducing or eliminating the interest rate, modifying or abrogating 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 the District. A district cannot be placed into bankruptcy involuntarily.

## **Approval of the Bonds**

As required by law, 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 guarantee the safety of the Bonds as an investment or the adequacy or accuracy of the information contained in this Official Statement.

## **Economic Factors and Interest Rates**

The continued maintenance of taxable values in the District is directly related to the housing and building industry. The housing and building industry has historically been a cyclical industry, affected by both short- and long-term interest rates, availability of mortgage and development funds, labor conditions, material shortages, consumer spending, foreclosure rates, and general economic conditions. A return to relatively high mortgage interest rates similar to those experienced in the past may adversely affect the availability and desirability of mortgage financing for real estate, hence reducing demand within the District. High foreclosure rates may also affect mortgage lenders' willingness to accept risks and potential borrowers' ability to qualify for loans. The inability to qualify for mortgages may negatively affect home sales and the growth of taxable values in the District.

Interest rates and the availability of mortgage and development funds have a direct impact on construction activity, particularly the short-term interest rates at which developers and builders are able to obtain financing for development or building

costs. Interest rate levels may affect the developers' or builders' ability to complete development or building plans. Long-term interest rates affect home purchasers' ability to qualify for and afford the total financing costs of a new home. The continuation of long-term interest rates at higher levels may negatively affect home sales and the rate of growth of taxable values in the District.

The Houston metropolitan area has in the past experienced increased unemployment, business failures and slow absorption of office space from time to time. These factors, if they recur, could affect the demand for new residential home construction and commercial development and hence the growth and maintenance of property values in the District. An oversupply of homes, along with a decreased demand in new housing because of general economic conditions or relatively high interest rates, may have an adverse impact on sale prices for homes and, consequently, may materially adversely affect property values or, in some instances, cause builders to abandon homebuilding plans altogether.

### **Potential Effects of Oil Price Fluctuations on the Houston Area**

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

### **Potential Impact on District Tax Rates**

The District's 2025 combined debt service and maintenance tax rate is \$0.415 per \$100 of assessed valuation. The maintenance of the District's taxable value is related to both the housing industry in general, the demand for homes in the District in particular, as well as commercial, retail and/or office development. The housing industry has historically been a cyclical industry, affected by short and long-term interest rates, demand for developed property, and availability of mortgage and development funds, labor conditions, and general economic conditions. In the 1980s, and again in the 2000s, the downturn in the Houston economy and concurrent increases in unemployment substantially reduced the demand for housing. In many instances, homeowners turned homes back to mortgage companies because of a negative equity position and, consequently, many repossessed homes were resold at substantially reduced prices. The demand for single family homes in the District or commercial industrial buildings, which is 22 miles from downtown Houston, also could be affected by competition from nearby developments.

Assuming no further construction of residential or commercial building projects within the District, other than those which have heretofore been constructed, the value of such land and improvements currently located within the District could be a major determinant of the ability of the District to collect, and the willingness of property owners to pay, ad valorem taxes levied by the District. After issuance of the Bonds, the Maximum Annual Debt Service Requirement on the Bonds and the remaining Outstanding Bonds will be \$856,756 (2038; preliminary, subject to change). Assuming no increase or decrease from the District's 2025 Certified Taxable Value of \$253,857,179, and no use of other District funds, a debt service tax rate of \$0.36 per \$100 of assessed valuation at 95% collection would be necessary to pay the Maximum Annual Debt Service Requirement. See "TAX DATA – Adequacy of Tax Revenue."

### **Future Debt**

The District has the right to issue obligations other than the Bonds, including tax anticipation notes, bond anticipation notes, and upon successful election, bonds to fund park and recreational facilities and road facilities. See "THE BONDS – Financing Parks and Recreational Facilities" and "– Financing Road Facilities." The District has reserved in the Bond Order the right to issue the remaining \$1,790,000 authorized but unissued unlimited tax and revenue bonds, the remaining \$765,000 authorized but unissued unlimited tax bonds, and such additional bonds as may hereafter be approved by both the Board and voters of the District. See "THE BONDS – Authorized and Unissued Bonds." At this time, the District has no immediate plans to issue any additional unlimited tax and revenue bonds or unlimited tax bonds, but additional facilities may be required by the District in the future because of the District's aging facilities or changes in regulatory requirements.

### **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."

### **Subsidence and Conversion to Surface Water Supply**

The District is within the boundaries of the Harris-Galveston Coastal Subsidence District (the "Subsidence District"), which regulates groundwater withdrawal. The District's authority to pump groundwater is subject to an annual permit issued by the Subsidence District. The Subsidence District has adopted regulations requiring reduction of groundwater withdrawals through conversion to alternate source water (e.g., surface water) in areas within the Subsidence District's jurisdiction. In furtherance of the Subsidence District's mandate to reduce groundwater pumpage and convert to surface water, the North Harris County Regional Water Authority (the "NHCRWA") was created with the responsibility of, among other things, reducing groundwater usage in and providing surface water to permittees, including the District, within its boundaries. The NHCRWA has developed a groundwater reduction plan

("GRP") and obtained Subsidence District approval of its GRP. The NHCRWA's GRP sets forth the NHCRWA's plan to comply with Subsidence District regulations, construct surface water facilities, and convert users from groundwater to surface water. Pursuant to the GRP, the NHCRWA entered into a contract with the City of Houston to purchase and treat surface water for delivery to retail water utilities in the NHCRWA's boundaries, including the District.

Under the Subsidence District regulations and the GRP, the NHCRWA was required to limit groundwater withdrawals to no more than 70% of the total water demand within the NHCRWA's GRP by January 2010 and to no more than 40% of the total water demand within the NHCRWA's GRP beginning in 2025. Additionally, the Subsidence District requires that the NHCRWA limit groundwater withdrawals to no more than 20% of the total water demand within the NHCRWA's GRP beginning in 2035. In addition, if the NHCRWA does not meet the Subsidence District's requirements as described above, NHCRWA may be required to pay the disincentive fees adopted by the Subsidence District. In the event of the NHCRWA's failure to comply with such requirements, the NHCRWA may seek to collect such disincentive fees from the District.

The NHCRWA currently charges its members, including the District, a groundwater pumpage fee of \$2.60 per 1,000 gallons of groundwater pumped from water wells within its boundaries. The NHCRWA charges its members utilizing surface water delivered from the NHCRWA a fee of \$3.05 per 1,000 gallons of water delivered. Currently, the District utilizes solely groundwater sources for its water supply and pays the NHCRWA groundwater pumpage fee on a monthly basis for all water pumped from District wells. The District passes the NHCRWA groundwater pumpage fee on to its customers by including such fee in each customer's monthly water bill. The District anticipates that the groundwater pumpage fee and surface water fee imposed by the NHCRWA will increase in the future, but the District cannot predict the amount or timing of any such increases.

The District does not currently receive surface water from the NHCRWA; however, the NHCRWA has started planning to provide surface water to the District by 2030, which, if implemented, will require the District to convert to the use of surface water and purchase such surface water from the NHCRWA. If and when this requirement is imposed upon the District, the issuance of bonds by the District in an undetermined amount may be necessary to finance the costs of infrastructure required to connect to the NHCRWA's surface water supply system. See "– Future Debt" herein, and "THE BONDS – Authorized and Unissued Bonds."

The NHCRWA has the power to issue debt supported by the revenues pledged for the payment of its obligations and may establish fees, rates, and charges as necessary to accomplish its purposes. The NHCRWA has issued bonds to finance the costs of infrastructure required to meet the groundwater reduction requirements. The issuance of additional bonds in the future by the NHCRWA or the District in an undetermined amount may be necessary to develop additional surface water conversion infrastructure.

## **Environmental Regulations**

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

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

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

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

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

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

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

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

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

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

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

The 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, implement, and maintain the necessary plans as well as to install or implement best management practices to minimize or eliminate unauthorized pollutants that may otherwise be found in stormwater runoff in order to comply with the MS4 Permit.

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

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

While the *Sackett* decision and subsequent regulatory action removed a great deal of uncertainty regarding the ultimate scope of “waters of the United States” and the extent of EPA and USACE jurisdiction, operations of municipal utility districts, including

the District, could potentially be subject to additional restrictions and requirements, including additional permitting requirements, in the future.

### **Changes in Tax Legislation**

Certain tax legislation, if enacted 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.

### **Bond Insurance Investment Considerations**

*The District has applied for a bond insurance policy to guarantee the scheduled payment of principal and interest on the Bonds. If such policy is issued, investors should be aware of the following:*

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 an 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 policy insurer (the "Bond Insurer") at such time and in such amounts as would have been due absent such prepayment by the District unless the Bond Insurer chooses to pay such amounts at an earlier date.

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 description of "BOND INSURANCE" herein.

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

Neither the District nor the 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.

### **Severe Weather; Hurricane Beryl**

The District is located approximately 70 miles from the Texas Gulf Coast. Land located in this area is susceptible to high winds, heavy rain and flooding caused by hurricanes, tropical storms, and other tropical disturbances. If a hurricane (or any other natural disaster) significantly damaged all or part of the improvements within the District, the assessed value of property within the District could be substantially reduced, with a corresponding decrease in tax revenues or necessity to increase the District's tax rate. Further, there can be no assurance that a casualty loss to taxable property within the District will be covered by insurance (or that property owners will even carry flood insurance), that any insurance company will fulfill its obligation to provide insurance proceeds, or that insurance proceeds will be used to rebuild or repair any damaged improvements within the District. Even if insurance proceeds are available and improvements are rebuilt, there could be a lengthy period in which assessed values within the District would be adversely affected.

Hurricane Beryl made landfall along the Texas Gulf Coast on July 8, 2024, and brought high levels of wind and rainfall to the Houston metropolitan area, including the District. According to the District's Engineer, there were no interruptions of water and sewer service as a result of Hurricane Beryl. According to District's Engineer, the District's system did not sustain any material damage. The District did not receive any reports that any homes or improvements within the District experienced structural flooding or other significant damage as a result of Hurricane Beryl.

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

If a future weather event significantly damaged all or part of the improvements within the District, the assessed value of property within the District could be substantially reduced, which could result in a decrease in tax revenues and/or necessitate an increase in the District’s tax rate. Further, there can be no assurance that a casualty loss to taxable property within the District will be covered by insurance (or that property owners will even carry flood or other casualty insurance). Flood casualties are usually excepted from coverage unless specific flood insurance is purchased. The District cannot provide assurance that any insurance company will fulfill its obligation to provide insurance proceeds, or that insurance proceeds will be used to rebuild or repair any damages to improvements within the District. Even if insurance proceeds are available and improvements are rebuilt, there could be a lengthy period in which assessed values within the District would be adversely affected.

### **Specific Flood Type Risks**

The District may be subject to the following flood risks:

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

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

*Coastal (or Storm Surge) Flooding* - Coastal, or storm surge, flooding occurs when sea levels or water levels in estuarial rivers, bayous and channels rise to abnormal levels in coastal areas, over and above the regular astronomical tide, caused by forces generated from a severe storm’s wind, waves, and low atmospheric pressure. Storm surge is extremely dangerous, because it is capable of flooding large swaths of coastal property and causing catastrophic destruction. This type of flooding may be exacerbated when storm surge coincides with a normal high tide.

### **Reappraisal of Property**

When requested by a local taxing unit, such as the District, the Appraisal District is required to complete a reappraisal as soon as practicable of all property damaged in an area that the Governor declares a disaster area. For reappraised property, the taxes are pro-rated for the year in which the disaster occurred. The taxing unit assesses taxes prior to the date the disaster occurred based upon market value as of January 1. Beginning on the date of the disaster and for the remainder of the year, the taxing unit applies its tax rate to the reappraised market value of the property. The District has not requested a reappraisal of property.

### **Temporary Tax Exemption for Property Damaged by Disaster**

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

### **Tax Payment Installments After Disaster**

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

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

#### **Atlas 14**

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

#### **Increase in Costs of Building Materials and Labor Shortages**

As a result of low supply and high demand, shipping constraints, and the ongoing trade war (including tariffs and retaliatory tariffs), there have been substantial increases in the cost of lumber and other materials, causing developers, homebuilders, and general contractors to experience budget overruns. Further, the federal administration's impositions and threatened impositions of tariffs and the imposition or threatened impositions of retaliatory tariffs against the United States will impact the ability of developers, homebuilders, general contractors, and district consultants to estimate costs, which could have a direct effect on the District's ability to finance water, sanitary, and detention facilities. Furthermore, the federal administration's immigration policies may impact the Texas' workforce, particularly in construction. Mass deportations or immigration policies that make it challenging for foreign workers to work in the United States may result in labor shortages that impact the developer's ability to construct utility facilities and a homebuilder's ability to construct homes within the District. Decreased levels of construction activity would tend to restrict the growth of property values in the District or could adversely impact existing values. The District makes no representations regarding the probability of development or homebuilding continuing in a timely manner or the effects that current or future economic or governmental circumstances may have on any plans of the developer or any home builder.

#### **Cybersecurity**

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

**USE OF BOND PROCEEDS**

Proceeds from the sale of the Bonds will be used by the District to finance: (1) certain water supply facility rehabilitation costs; (2) certain wastewater system facility rehabilitation costs; (3) District office improvements; (4) twelve months of capitalized interest on the Bonds; and (5) certain issuance and administrative expenses associated with the issuance of the Bonds.

Lockwood, Andrews, & Newnam, Inc. (the "Engineer") has advised the District that the proceeds listed below should be sufficient for the construction of such facilities. The District's present estimate of the use of proceeds of the Bonds as approved by the TCEQ is as follows:

<b><u>CONSTRUCTION COSTS</u></b>	<b><u>Total Amount</u></b>
Water System Rehabilitation, Phase 2	\$500,000
Chloramine Conversion (2027)	\$300,000
WP 1 Recoating, including TLS Building	\$600,000
District Office Improvements	\$25,000
Wastewater System Clean and TV, Phase 5	\$85,000
Wastewater System Rehabilitation, Phase 11	\$550,000
Wastewater System Rehabilitation, Phase 12	\$550,000
Wastewater System Rehabilitation, Phase 13	\$550,000
Clarifier No. 1 Weir Replacement	\$34,052
Flow Control Gates in Aeration Basins	\$148,896
Plant Pipe & Equipment Coating	\$40,608
Chlorine Contact Basin Rehabilitation	\$19,881
Aeration Basin/Chlorine Basin Handrail Replacement	\$72,756
Replace One Aeration Blower	\$150,377
Replace LS Influent Pumps	\$60,701
Contingencies	\$368,728
Engineering	\$921,818
<b>TOTAL CONSTRUCTION COSTS</b>	<b><u>\$4,977,817</u></b>
<b><u>NON-CONSTRUCTION COSTS</u></b>	
Legal Fees	\$155,500
Fiscal Agent Fees	\$112,300
Capitalized Interest (12 months)	\$291,000
Bond Discount	\$174,600
Bond Issuance Expenses	\$48,413
Bond Application Report Costs	\$40,000
Attorney General Fee	\$5,820
TCEQ Bond Issuance Fee	\$14,550
Contingency	\$0 (a)
<b>TOTAL NON-CONSTRUCTION COSTS</b>	<b><u>\$842,183</u></b>
<b>TOTAL BOND ISSUE REQUIREMENT</b>	<b><u>\$5,820,000</u></b>

(a) The District will designate any surplus Bond proceeds resulting from the sale of the Bonds at a lower interest rate than the estimated rate as a contingency line item in the Final Official Statement. Such funds will be used by the District to fund costs only after notice to or approval by the TCEQ.

## **THE DISTRICT**

### **Authority**

The District is a municipal utility district created on March 12, 1973, by order of the Texas Water Rights Commission (predecessor to the TCEQ) pursuant to Article XVI, Section 59, of the Texas Constitution and operates under the provisions of Chapter 49 and Chapter 54 of the Texas Water Code, as amended, and other general statutes of Texas applicable to municipal utility districts. The District, which lies wholly within the extraterritorial jurisdiction of the City of Houston (the "City"), is subject to the continuing supervisory jurisdiction of the TCEQ.

The District is empowered, among other things, to finance, purchase, construct, operate and maintain all works, improvements, facilities, and plants necessary for the supply and distribution of water; the collection, transportation, and treatment of wastewater; and the control and diversion of storm water. The District may issue bonds and other forms of indebtedness to purchase or construct such facilities. The District may also provide solid waste disposal and collection services. Additionally, the District may, subject to certain limitations, develop parks and recreational facilities. See "THE BONDS – Financing Parks and Recreational Facilities" and "– Financing Road Facilities."

The District also is authorized by statute to engage in fire-fighting activities, including the issuing of bonds payable from taxes for such purpose. Before the District could issue fire-fighting bonds payable from taxes, the following actions would be required: (a) amendments to the existing City of Houston ordinance specifying the purposes for which the District may issue bonds; (b) authorization of a detailed master plan and bonds for such purpose by the qualified voters in the District; (c) approval of the master plan and issuance of bonds by the TCEQ; and (d) approval of bonds by the Attorney General of Texas. The District does not provide fire protection service, and the Board has not considered calling such an election at this time. The District has no information concerning any determination by the City of Houston to modify its consent ordinance. Issuance of bonds for fire-fighting activities could dilute the investment security for the Bonds.

The District is required to observe certain requirements of the City which limit the purposes for which the District may sell bonds to the acquisition, construction, and improvement of waterworks, wastewater, and drainage facilities and the refunding of outstanding debt obligations; limit the net effective interest rate on such bonds and other terms of such bonds; require approval by the City of District construction plans; and permit connections only to lots and reserves described in a plat that has been approved by the City and filed in the real property records of Harris County. Construction and operation of the District's drainage system is subject to the regulatory jurisdiction of additional State of Texas and local agencies. See "DESCRIPTION OF THE DISTRICT'S SYSTEM."

### **Description, Location, and Status of Development**

The District presently contains approximately 319 acres; and is located approximately 22 miles north of the central business district of the City. The District is located north of FM 1960 and east of Interstate 45, and more specifically on the north and south sides of Treaschwig Road, and on the east and west side of Cypresswood Drive. The District is wholly within the extraterritorial jurisdiction of the City and lies, for the most part, within Spring Independent School District. See "– Location Map" and "– Aerial Photograph" herein.

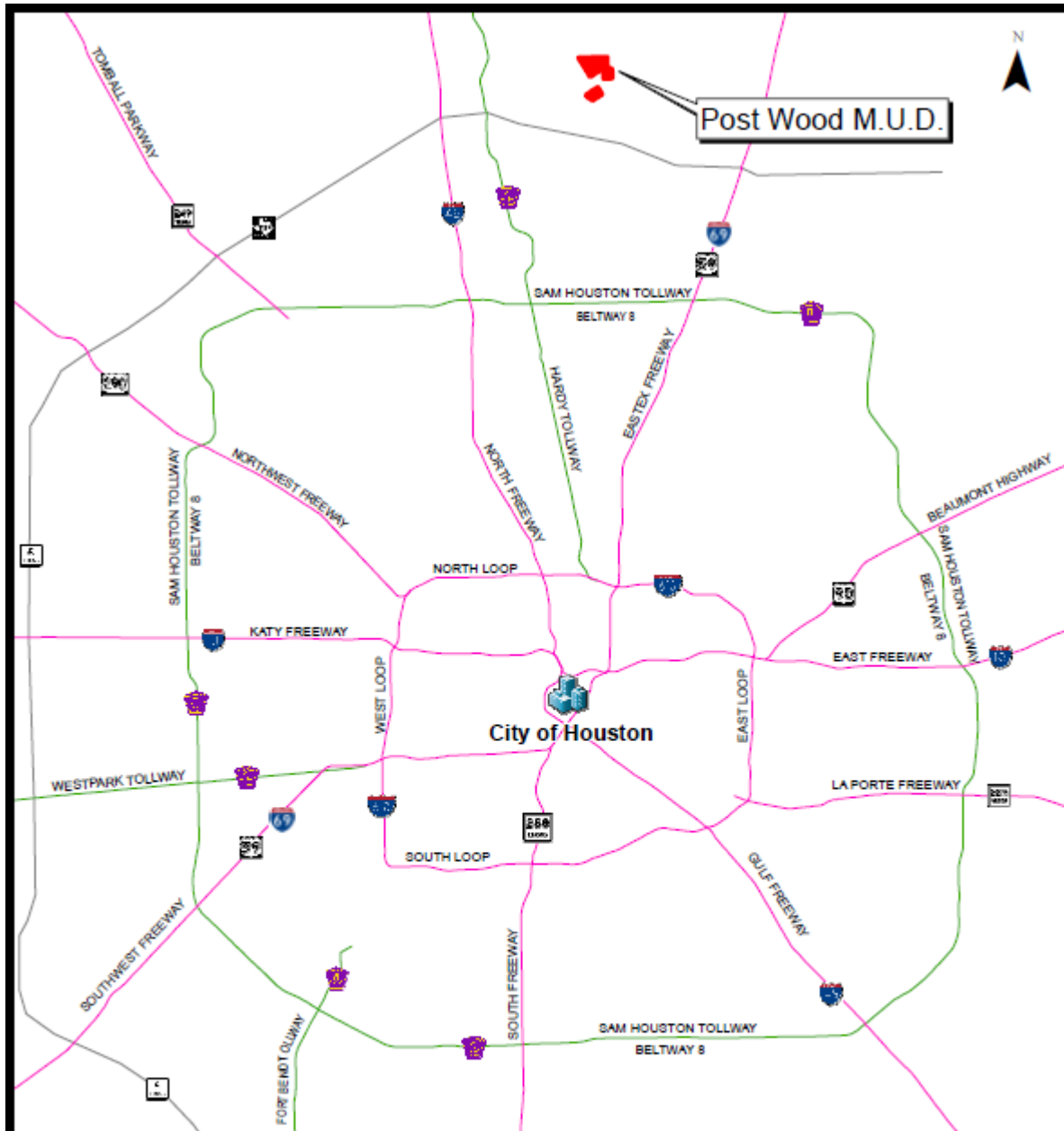
Land within the District has been developed predominantly as single-family residential with a limited amount of commercial retail development. According to the District's 2025 certified tax rolls as provided by HCAD, approximately 88% of the taxable value in the District is comprised of single-family residential development and approximately 12% of the taxable value in the District is comprised of commercial retail development.

The land that has been developed for single-family residential use is located in the Postwood, Postwood Green, Postwood Glen, Postwood Oaks, and Sunberry Estates subdivisions and includes 1,212 homes situated on approximately 267 acres of land. There are currently no homes under construction and no vacant developed lots remaining to be built upon. As of March 1, 2026, approximately 1,211 homes in the District were occupied.

Approximately 52 acres have been developed for commercial retail use. As of March 1, 2026, there are approximately 24 commercial establishments located within the District, including but not limited to: daycare facilities, strip centers, fast food restaurants, a bank building, service stations, grocery stores, an automotive after-market facility, and personal self-storage facilities. Approximately 2.3 acres of commercial land have been developed with utilities and are currently vacant and available to be built upon.

The District's water, sanitary sewer, and drainage system (the "System") is substantially complete. According to the Engineer, the existing water supply facilities are sufficient for the foreseeable future to serve the District at full development, based upon current projected or anticipated land uses. See "DESCRIPTION OF THE DISTRICT'S SYSTEM."

Location Map



**City of Houston**  
Location Map



Attachment No. IV  
Post Wood M.U.D.



**Aerial Photograph**




**POST WOOD MUNICIPAL UTILITY DISTRICT**



POST WOOD MUD  
P. O. Box 897  
Spring, TX 77383

**LN**  
3790 WEST SAM HOUSTON PERRY SOUTH, SUITE 480  
HOUSTON, TEXAS 77042  
TEL 713-266-0950  
FAX 713-266-2060

 Post Wood Boundary

Job No. 120-02014-001-920  
Date: 9/2/2025

Exhibit: Boundary with Aerial

## MANAGEMENT OF THE DISTRICT

The District is governed by a board of directors (the "Board"), which has control over and management supervision of all affairs of the District. All of the directors reside within the District. A directors' election is held within the District in May in even-numbered years. Directors are elected to serve four-year, staggered terms. The current members and officers of the Board, along with their titles on the Board, are listed below.

<u>Name</u>	<u>Title</u>	<u>Term Expires May</u>
Diane K. Flynn	President	2030
Jason Harvey	Vice President	2030
Matthew Brogan	Secretary	2030
Adam Briscoe	Assistant Secretary	2028
Alicia San Miguel	Director	2028

### Consultants

The District does not have a general manager or any other full-time employees, but has contracted for services as follows:

Tax Assessor/Collector – The District's Tax Assessor/Collector is Tax Tech, Inc., who is employed under an annual contract to perform the District's tax collection functions.

Bookkeeper – The District has contracted with Myrtle Cruz, Inc. for bookkeeping services.

Auditor – The District employed McCall Gibson Swedlund Barfoot Ellis PLLC, Certified Public Accountants (the "District's Auditor") to audit its financials for the period ended March 31, 2025. See "APPENDIX A" for a copy of the District's March 31, 2025, audited financial statements.

Utility System Operator – The District's utility system operator is Water District Management Co., Inc.

Engineer – The engineer for the District is Lockwood, Andrews & Newnam, Inc.

Financial Advisor – The GMS Group, L.L.C., serves as Financial Advisor to the District and is paid an hourly fee for certain work performed for the District and a contingent fee to be computed on each separate issuance of bonds if and when such bonds are delivered.

Bond Counsel – Marks Richardson PC serves as Bond Counsel to the District and as counsel for the District on matters other than the issuance of bonds. Fees paid for the Bond Counsel services will be paid from proceeds of the Bonds; such fees are contingent upon the sale and delivery of such Bonds.

Disclosure Counsel – Norton Rose Fulbright US LLP, Houston, Texas, serves as Disclosure Counsel on certain matters related to the sale and delivery of the Bonds, but such advice should not be relied upon by the purchasers as a due diligence undertaking on their behalf. The fees to be paid to Disclosure Counsel for services rendered in connection with the issuance of the Bonds are contingent on the issuance, sale, and delivery of the Bonds.

## DISTRICT INVESTMENT POLICY

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

## DESCRIPTION OF THE DISTRICT'S SYSTEM

### General

The proceeds of the District's previously issued waterworks and sewer system combination unlimited tax and revenue bonds have been used to finance the construction and/or acquisition of water distribution, sanitary sewage collection, and storm drainage facilities to serve all of the District, and to pay all expenses in any manner incidental thereto, in accordance with plans and specifications prepared by the Engineer. The previously issued waterworks and sewer system combination unlimited tax and revenue bonds also financed the construction and acquisition of water supply and storage facilities and a wastewater treatment plant for the District.

### Regulation

Construction and operation of the System as it now exists or as it may be expanded from time to time are subject to the regulatory jurisdiction of various federal, state and local authorities. The TCEQ exercises continuing supervisory authority over the District. Discharge of treated sewage into Texas waters is also subject to regulatory authority of the TCEQ and the United States

Environmental Protection Agency ("EPA"). The provision of potable water in the District is subject to regulatory authority of the TCEQ and the EPA. Withdrawal of ground water and the issuance of water well permits is subject to the regulatory authority of the Harris-Galveston Coastal Subsidence District. Construction of drainage facilities is subject to the regulatory authority of the Harris County Flood Control District. Harris County, the City of Houston, and the Texas Department of Health also exercise regulatory jurisdiction over the District's System. Changes in regulatory criteria could require the District to make additional capital expenditures for system improvements in the future.

### **Water Supply and Storage**

The District's water supply plant includes one well, totaling 1,440,000 gallons per day ("gpd") of water production capacity, 1,050,000 gallons of ground storage capacity, booster pump capacity of 4,000 gallons per minute, and 30,000 gallons of water pressure tanks. The District has two, normally closed, emergency water supply interconnects, one with Tattor Road Municipal District, and the other with Harris County Municipal Utility District No. 82.

The District's water supply facilities have the capacity to serve approximately 1,328 equivalent single-family connections ("ESFCs"). The District currently provides water to approximately 1,201 ESFCs. According to the Engineer, the existing water supply facilities are sufficient for the foreseeable future to serve the District at full development, based upon current projected or anticipated land uses.

### **Surface Water Conversion**

The District is within the boundaries of the Harris-Galveston Coastal Subsidence District (the "Subsidence District"), which regulates groundwater withdrawal. The District's authority to pump groundwater is subject to an annual permit issued by the Subsidence District. The Subsidence District has adopted regulations requiring reduction of groundwater withdrawals through conversion to alternate source water (e.g., surface water) in areas within the Subsidence District's jurisdiction. In furtherance of the Subsidence District's mandate to reduce groundwater pumpage and convert to surface water, the North Harris County Regional Water Authority (the "NHCRWA") was created with the responsibility of, among other things, reducing groundwater usage in and providing surface water to permittees, including the District, within its boundaries. The NHCRWA has developed a groundwater reduction plan ("GRP") and obtained Subsidence District approval of its GRP. The NHCRWA's GRP sets forth the NHCRWA's plan to comply with Subsidence District regulations, construct surface water facilities, and convert users from groundwater to surface water. Pursuant to the GRP, the NHCRWA entered into a contract with the City of Houston to purchase and treat surface water for delivery to retail water utilities in the NHCRWA's boundaries, including the District.

Under the Subsidence District regulations and the GRP, the NHCRWA was required to limit groundwater withdrawals to no more than 70% of the total water demand within the NHCRWA's GRP by January 2010 and to no more than 40% of the total water demand within the NHCRWA's GRP beginning in 2025. Additionally, the Subsidence District requires that the NHCRWA limit groundwater withdrawals to no more than 20% of the total water demand within the NHCRWA's GRP beginning in 2035. In addition, if the NHCRWA does not meet the Subsidence District's requirements as described above, NHCRWA may be required to pay the disincentive fees adopted by the Subsidence District. In the event of the NHCRWA's failure to comply with such requirements, the NHCRWA may seek to collect such disincentive fees from the District.

The NHCRWA currently charges its members, including the District, a groundwater pumpage fee of \$2.60 per 1,000 gallons of groundwater pumped from water wells within its boundaries. The NHCRWA charges its members utilizing surface water delivered from the NHCRWA a fee of \$3.05 per 1,000 gallons of water delivered. Currently, the District utilizes solely groundwater sources for its water supply and pays the NHCRWA groundwater pumpage fee on a monthly basis for all water pumped from District wells. The District passes the NHCRWA groundwater pumpage fee on to its customers by including such fee in each customer's monthly water bill. The District anticipates that the groundwater pumpage fee and surface water fee imposed by the NHCRWA will increase in the future, but the District cannot predict the amount or timing of any such increases.

The District does not currently receive surface water from the NHCRWA; however, the NHCRWA has started planning to provide surface water to the District by 2030, which, if implemented, will require the District to convert to the use of surface water and purchase such surface water from the NHCRWA. If and when this requirement is imposed upon the District, the issuance of bonds by the District in an undetermined amount may be necessary to finance the costs of infrastructure required to connect to the NHCRWA's surface water supply system. See "INVESTMENT CONSIDERATIONS – Future Debt" and "THE BONDS – Authorized and Unissued Bonds."

The NHCRWA has the power to issue debt supported by the revenues pledged for the payment of its obligations and may establish fees, rates, and charges as necessary to accomplish its purposes. The NHCRWA has issued bonds to finance the costs of infrastructure required to meet the groundwater reduction requirements. The issuance of additional bonds in the future by the NHCRWA or the District in an undetermined amount may be necessary to develop additional surface water conversion infrastructure.

### **Wastewater Treatment**

The District currently owns 423,000 gpd of capacity at the Treaschwig Regional Wastewater Treatment facilities ("Treaschwig Plant"). The Treaschwig Plant is a 2,000,000 gpd wastewater treatment plant facility that serves five utility districts in the area around the District. The District owns 21.15% of the capacity in the Treaschwig Plant. For more information regarding the Treaschwig Plant, see "APPENDIX A – AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 8. Wastewater Treatment Facility Joint Venture." According to the Engineer, the District's current capacity is sufficient to serve approximately 1,343 ESFCs, which should be

sufficient to serve the District at full development based upon presently known building development plans or anticipated land usage (assuming that such future land use is consistent with land use that has taken place heretofore in the District and in the general vicinity of the District).

### **Water Distribution, Wastewater Collection, and Storm Drainage Facilities**

The District has constructed water distribution, wastewater collection, and storm drainage facilities to serve substantially all of the land within the District. Stormwater from the single-family homes and lots flows to adjacent street gutters and then to curbside inlets which flow to Harris County's storm sewer mains. Stormwater from retail centers, commercial centers, and office buildings typically flow to site inlets, then through site storm sewer laterals, and then directly to Harris County's storm sewer mains. Storm sewer mains discharge to Harris County Flood Control District Channels.

### **100-Year Flood Plain**

According to the District's Engineer, there are approximately seven (7) residential lots located within the District that lie partially within the 100-year flood plain. Additional land located within the District also lies within the 100-year flood plain; none of such land is developed, nor planned for future development, for single-family residential purposes.

### **General Fund Operating History**

The Bonds are payable from the levy of an ad valorem tax, without legal limitation as to rate or amount, upon all taxable property in the District. The information included in the table below relating to the District's water and sewer system operations is provided for information purposes only.

	<b>Fiscal Year Ended March 31 (a)</b>				
	<b><u>2025</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
<b>REVENUES</b>					
Property Taxes	\$591,727	\$579,636	\$461,048	\$357,111	\$345,198
Water Service	\$421,207	\$389,313	\$366,184	\$315,095	\$310,588
Water Sales - Interconnect	\$12,114	\$44,887	-	\$64,294	-
Wastewater Service	\$795,651	\$757,220	\$721,407	\$614,889	\$616,840
Water Authority Fees	\$265,539	\$482,412	\$395,005	\$628,236	\$377,886
Sales and Use Tax Revenues	\$64,318	\$75,396	\$75,332	\$72,148	\$67,687
Penalty and Interest	\$82,553	\$91,545	\$76,991	\$65,568	\$49,400
Investment and Miscellaneous Revenues	\$134,304	\$107,851	\$90,773	\$45,266	\$94,889
<b>TOTAL REVENUES</b>	<b><u>\$2,367,413</u></b>	<b><u>\$2,528,260</u></b>	<b><u>\$2,186,740</u></b>	<b><u>\$2,162,607</u></b>	<b><u>\$1,862,488</u></b>
<b>EXPENDITURES</b>					
Professional Fees	\$149,297	\$161,590	\$173,771	\$192,904	\$159,795
Contracted Services	\$493,777	\$467,737	\$458,551	\$406,786	\$402,471
Wastewater Service	\$216,734	\$230,127	\$212,711	\$163,730	\$170,413
Utilities	\$53,465	\$57,940	\$44,932	\$69,920	\$52,143
Water Authority Assessments	\$230,022	\$467,812	\$381,804	\$639,170	\$373,442
Repairs and Maintenance	\$314,351	\$456,962	\$292,452	\$407,084	\$309,191
Other	\$182,678	\$160,150	\$184,791	\$108,158	\$129,639
Capital Outlay	\$169,565	\$138,272	\$306,293	\$93,907	\$90,867
<b>TOTAL EXPENDITURES</b>	<b><u>\$1,809,889</u></b>	<b><u>\$2,140,590</u></b>	<b><u>\$2,055,305</u></b>	<b><u>\$2,081,659</u></b>	<b><u>\$1,687,961</u></b>
<b>EXCESS REVENUES</b>	<b><u>\$557,524</u></b>	<b><u>\$387,670</u></b>	<b><u>\$131,435</u></b>	<b><u>\$80,948</u></b>	<b><u>\$174,527</u></b>
<b>END OF YEAR FUND BALANCE (b)</b>	<b><u>\$2,690,180</u></b>	<b><u>\$2,153,764</u></b>	<b><u>\$1,766,094</u></b>	<b><u>\$1,634,659</u></b>	<b><u>\$1,563,282</u></b>

(a) Data is taken from the District's audited financial statements. See "APPENDIX A."

(b) As of March 5, 2026, the District's General Fund had an unaudited cash and investment balance of approximately \$3,072,965, which represents the combined balances in the District's Operating Fund and Maintenance Tax Fund. For the fiscal year ending March 31, 2026, the District's General Fund is currently budgeting revenues of \$1,776,100 and expenditures of \$1,894,283.

**DISTRICT DEBT**  
**(Unaudited)**

2025 Certified Taxable Value	\$253,857,179 (a)
Direct Debt	
Outstanding Bonds (as of March 2, 2026)	\$5,335,000
The Bonds	<u>\$5,820,000</u>
Total Direct Debt	\$11,155,000
Estimated Overlapping Debt	<u>\$19,155,023</u> (b)
Direct and Estimated Overlapping Debt	\$30,310,023
Percentage of Direct Debt to:	
2025 Certified Taxable Value	4.39%
Percentage of Direct and Estimated Overlapping Debt to:	
2025 Certified Taxable Value	11.94%
2025 Tax Rate Per \$100 of Assessed Value:	
Debt Service Tax	\$0.165
Maintenance Tax	<u>\$0.250</u>
Total 2025 Tax Rate	\$0.415
Cash and Temporary Investment Balances as of March 5, 2026:	
General Fund	\$3,072,965 (c)
Debt Service Fund (Pro-Forma)	\$466,936 (d)

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- (a) Reflects the January 1, 2025 Certified Taxable Value according to data supplied to the District by HCAD. See "TAX DATA" and "TAXING PROCEDURES."
- (b) See "-- Estimated Overlapping Debt" herein.
- (c) Unaudited figure per the District's records. Represents the combined balances in the District's Operating Fund and Maintenance Tax Fund. See "DESCRIPTION OF THE DISTRICT'S SYSTEM – General Fund Operating History."
- (d) Unaudited figure per the District's records. The cash and investment balance in the Debt Service Fund includes an estimate of twelve (12) months of capitalized interest to be funded with proceeds of the Bonds to be deposited into such fund on the date of delivery of the Bonds. See "USE OF BOND PROCEEDS." Neither Texas law nor the District's Bond Order requires that the District maintain any particular balance in the Debt Service Fund. See "TAX DATA – Adequacy of Tax Revenue."

**Estimated Overlapping Debt**

Other governmental entities whose boundaries overlap the District have outstanding bonds payable from ad valorem taxes. The following statement of direct and estimated overlapping ad valorem tax debt was developed from information contained in the "Texas Municipal Report," published by the Municipal Advisory Council of Texas and from information obtained directly from certain jurisdictions. Taxable values for all taxing jurisdictions, including the District, were used to calculate the overlapping percentages. Except for the amounts 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, the amount of which has not been reported. Political subdivisions overlapping the District are authorized by Texas law to levy and collect ad valorem taxes for operation, maintenance, and/or general revenue purposes in addition to taxes for payment of their debt, and some are presently levying and collecting such taxes.

<b><u>Taxing Jurisdiction</u></b>	<b><u>Outstanding Debt</u></b>	<b><u>Overlapping Debt</u></b>	
		<b><u>Percent</u></b>	<b><u>Amount</u></b>
Spring Independent School District	\$1,300,200,000	1.32%	\$17,194,133
Harris County	\$2,257,734,736	0.04%	\$832,786
Harris County Flood Control District	\$28,960,000	0.04%	\$10,678
Port of Houston Authority	\$937,165,000	0.04%	\$353,020
Harris County Hospital District	\$861,580,000	0.04%	\$324,500
Harris County Department of Education	\$386,074,397	0.04%	\$145,459
Lone Star College System	\$402,055,000	0.07%	\$294,448
<b>Total Estimated Overlapping Debt</b>			<b>\$19,155,023</b>
<b>The District's Direct Debt (a)</b>			<b>\$11,155,000</b>
<b>Total Direct and Estimated Overlapping Debt</b>			<b>\$30,310,023</b>

(a) Includes the Bonds.

**TAX DATA**

**Tax Rate and Collections**

The following table sets forth the historical tax collection information of the District for the years 2021 through 2025. Such table has also been prepared based upon information from District records. Reference is made to such records for further and complete information.

<b><u>Tax Year</u></b>	<b><u>Taxable Valuation (a)</u></b>	<b><u>Tax Rate (b)</u></b>	<b><u>Tax Levy</u></b>	<b><u>Cumulative Tax Collections (c)</u></b>	<b><u>Tax Year Ending September 30</u></b>
2025	\$253,857,179	\$0.415	\$1,053,507	91.91%	2026
2024	\$239,663,697	\$0.415	\$994,604	99.39%	2025
2023	\$233,388,684	\$0.427	\$996,570	99.56%	2024
2022	\$202,237,869	\$0.439	\$887,824	99.75%	2023
2021	\$172,028,230	\$0.450	\$774,127	99.84%	2022

(a) See "– Analysis of Tax Base" herein.

(b) See "– Tax Rate Distribution" herein.

(c) Represents cumulative collections as of February 28, 2026. The 2025 tax levy was due on January 31, 2026. See "TAXING PROCEDURES."

**Maintenance Tax**

The Board has the statutory authority to levy and collect an annual ad valorem tax for operations and maintenance of the District's improvements. Such tax is in addition to taxes which the District is authorized to levy for paying principal of and interest on the Bonds and any tax bonds which may be issued in the future. The District's voters authorized a maintenance tax of up to \$0.50 per \$100 of assessed valuation at an election held on May 7, 2016. In 2025, the District levied a maintenance tax of \$0.25 per \$100 of assessed valuation for operations and maintenance purposes. See "– Tax Rate Distribution" herein.

**Tax Rate Distribution**

The following table sets forth the tax rate distribution of the District for the years 2021 through 2025.

	<b><u>2025</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
Debt Service	\$0.165	\$0.165	\$0.177	\$0.210	\$0.240
Maintenance/Operation	<u>\$0.250</u>	<u>\$0.250</u>	<u>\$0.250</u>	<u>\$0.229</u>	<u>\$0.210</u>
<b>Total</b>	<b>\$0.415</b>	<b>\$0.415</b>	<b>\$0.427</b>	<b>\$0.439</b>	<b>\$0.450</b>

**Additional Penalties**

The District has contracted with Perdue Brandon Fielder Collins & Mott, LLP, 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 Property Tax Code.

**Principal Taxpayers**

The list of principal taxpayers for 2025 and the other information provided by this table were provided by HCAD to the District's Tax Assessor/Collector based on certified tax rolls net of any exemptions from taxation. This table does not reflect any corrections pursuant to subsequent action of HCAD.

<u>Property Owner</u>	<u>Property Description</u>	<u>Property Value</u>	<u>% of Total</u>
Manj Britier LLC	Land and Improvements	\$6,164,223	2.43%
Extra Space Properties Ten LLC	Land and Improvements	\$5,867,741	2.31%
North Shopping Center LLC	Land and Improvements	\$5,452,666	2.15%
Daniel G Kamin Spring LLC	Land and Improvements	\$4,150,000	1.63%
Kroger Co #358	Personal Property	\$2,203,794	0.87%
CenterPoint Energy Hou Ele	Personal Property	\$1,576,180	0.62%
FKH SFR Propco B-HLD, LP	Land and Improvements	\$1,525,037	0.60%
ZK 2021 Inc	Land and Improvements	\$1,393,231	0.55%
Carlos Mattioli AP Trust	Land and Improvements	\$1,329,767	0.52%
Capital Houston Partners LLC	Land and Improvements	\$1,325,000	0.52%
<b>TOTALS</b>		<b>\$30,987,639</b>	<b>12.21%</b>

**Analysis of Tax Base**

Based on information provided to the District by HCAD and its Tax Assessor/Collector, the following represents the composition of property comprising the gross tax roll valuations and exemptions for 2021 through 2025.

<u>Tax Year</u>	<u>Type of Property</u>			<u>Gross Valuations</u>	<u>Exemptions</u>	<u>Taxable Valuations</u>
	<u>Land</u>	<u>Improvements</u>	<u>Personal Property</u>			
2025	\$65,416,692	\$213,411,899	\$8,508,188	\$287,336,779	\$33,479,600	\$253,857,179
2024	\$64,620,541	\$199,312,264	\$7,675,633	\$271,608,438	\$31,944,741	\$239,663,697
2023	\$64,586,583	\$190,302,922	\$8,871,534	\$263,761,039	\$30,372,355	\$233,388,684
2022	\$51,301,122	\$171,385,348	\$6,066,206	\$228,752,676	\$26,514,807	\$202,237,869
2021	\$25,798,554	\$165,096,467	\$5,583,952	\$196,478,973	\$24,450,743	\$172,028,230

**Homestead Exemptions**

The Texas Constitution authorizes political subdivisions to exempt up to 20% of the market value of residential homesteads from ad valorem taxation. In 2025, the District granted a 10% general homestead exemption of the appraised value and an exemption of \$30,000 for residential homesteads of persons 65 or older or disabled. See "TAXING PROCEDURES."

**Overlapping Taxes**

The following table sets forth all 2025 taxes levied by overlapping taxing jurisdictions. No recognition is given to local assessments for civic association dues, fire department contributions, solid waste disposal charges, or any other levy by entities other than political subdivisions.

<u>Taxing Jurisdictions</u>	<u>2025 Tax Rate Per \$100</u>
Spring Independent School District	\$1.136900
Harris County (a)	\$0.628928
Lone Star College System District	\$0.106000
Harris County Emergency Services District No. 7	\$0.100000
Harris County Emergency Services District No. 11	\$0.038078
<b>Overlapping Taxes</b>	<b>\$2.009906</b>
The District	\$0.415000
<b>Total Direct and Overlapping</b>	<b>\$2.424906</b>

(a) Includes taxes levied by Harris County, Harris County Department of Education, Harris County Flood Control District, Harris County Hospital District, and Port of Houston Authority.

**Adequacy of Tax Revenue**

The calculations shown below are solely for purposes of illustration, reflect no net revenues of the System, no transfers of surplus funds from the District’s Operating Fund or Construction Fund to the Debt Service Fund, and no increase or decrease in assessed valuation over the 2025 Certified Taxable Value. The calculations utilize a tax rate adequate to service the District’s total debt service requirements after issuance of the Bonds. Surplus balances in the Debt Service Fund are not reflected in these computations.

Maximum Annual Debt Service Requirement (2038) .....	\$856,756 (a)
Requires a \$0.36 debt service tax rate on the 2025 Certified Taxable Value of \$253,857,179 at 95% collections .....	\$868,192 (a)
<hr/>	
(a) Preliminary, subject to change.	

**TAXING PROCEDURES**

**Authority to Levy Taxes**

The Board is authorized to levy an annual ad valorem tax, without legal limitation as to rate or amount, on all taxable property within the District in an amount sufficient to pay the principal and interest on the Bonds and any additional bonds payable from taxes that the District may hereafter issue and to pay the expenses of assessing and collecting such taxes. See “INVESTMENT CONSIDERATIONS – Future Debt.” The District agrees in the Bond Order to levy such a tax from year to year as described more fully in this Official Statement under the caption "THE BONDS – Source of and Security for Payment." Under Texas law, the Board may also levy and collect an annual ad valorem tax for the operation and maintenance of the District and its water and wastewater system and for the payment of certain contractual obligations if authorized by the voters in the District. See “TAX DATA – Maintenance Tax.”

**Property Tax Code and County-Wide Appraisal District**

Title 1 of the Texas Tax Code (the “Property Tax Code”) specifies the taxing procedures of all political subdivisions of the State of Texas, including the District. Provisions of the Property Tax Code are complex and are not fully summarized here. The Property Tax Code requires, among other matters, county-wide appraisal and equalization of taxable property values and establishes in each county of the State of Texas an appraisal district with the responsibility for recording and appraising property for all taxing units in a county and an appraisal review board with responsibility for reviewing and equalizing the values established by the Appraisal District. The Appraisal District has the responsibility for appraising property for all taxing units within their respective county. Such appraisal values are subject to review and change by the Harris Central Appraisal Review Board (the “Appraisal Review Board”). The Texas Comptroller of Public Accounts may provide for the administration and enforcement of uniform standards and procedures for appraisal of property.

**Property Subject to Taxation by the District**

Except for certain exemptions provided by Texas law, all real property, tangible personal property held or used for the production of income, mobile homes, and certain categories of intangible personal property with a tax situs in the District are subject to taxation by the District. Principal categories of exempt property include, but are not limited to, property owned by the State of Texas or its political subdivisions if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies, and personal effects; certain goods, wares, and merchandise in transit; farm products owned by the producer; certain property of charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; and most individually owned automobiles. In addition, the District may by its own action exempt residential homesteads of persons 65 years or older and of certain disabled persons, and travel trailers, to the extent deemed advisable by the Board. The District may be required to offer such an exemption if a majority of voters approve it at an election. The District would be required to call such an election upon petition by 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 \$3,000, or between \$5,000 and \$12,000 depending on the disability rating of the veteran, of taxable valuation. For the 2025 tax year, the Board approved an exemption of \$30,000 of the appraised value of residence homesteads of persons 65 years or older or disabled in the District.

Additionally, a partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran’s disability rating if the residence homestead was donated by a charitable organization. Also, the surviving spouse of a member of the armed forces who was killed in action is, subject to certain conditions, entitled to an exemption of the total appraised value of the surviving spouse’s residence homestead, and subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse.

The surviving spouse of a first responder who is killed or fatally injured the in the line of duty is entitled to an exemption of the total appraised value of the surviving spouse’s residence homestead if the surviving spouse has not remarried since the first

responder's death, and said property was the first responder's residence homestead at the time of death. Such exemption would be transferrable to a subsequent residence homestead of the surviving spouse, if the surviving spouse has not remarried, in an amount equal to the exemption received on the prior residence in the last year in which such exemption was received.

**Residential Homestead Exemptions.** The Property Tax Code authorizes the governing body of each political subdivision in the State of Texas to exempt up to 20% of the appraised value of residential homesteads from ad valorem taxation. Where ad valorem taxes have previously been pledged for the payment of debt, the assessor and collector of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged if the cessation of the levy would impair the obligations of the contract by which the debt was created. The adoption of a homestead exemption may be considered each year, but must be adopted before July 1. For the 2025 tax year, the District adopted an order granting a 10% residential homestead exemption of the appraised value.

**Freeport Goods and Goods-in-Transit Exemptions.** Freeport goods are goods, wares, merchandise, other tangible personal property, and ores, other than oil, natural gas, and other petroleum products, that have been acquired or brought into the state for assembling, storing, manufacturing, repair, maintenance, processing, or fabricating, or used to repair or maintain aircraft of a certified air carrier, and shipped out of the state within 175 days. Freeport goods are exempted from taxation by the District. A "Goods-in-Transit Exemption" may apply to certain tangible personal property that is acquired in or imported into Texas for assembling, storing, manufacturing or fabrication purposes which is destined to be forwarded to another location in Texas not later than 175 days after acquisition or importation, so long as the location where said goods are detained is not directly or indirectly owned by the owner of the goods. The District has acted to allow taxation of goods-in-transit, and accordingly, the exemption is not available within the District. A taxpayer may not claim both a Freeport Goods Exemption and a Goods-in-Transit Exemption on the same property.

### **Strategic Partnership Agreement**

Utilizing a provision of Texas law, the City and the District entered into a Strategic Partnership Agreement ("SPA") effective as of July 11, 2006. The SPA provides for the City's limited purpose annexation of certain developed commercial tracts within the District for imposition of the City's Sales and Use Tax, voting in City elections, certain municipal court jurisdictions, and health inspection services and enforcement. No other City services are provided. The properties made subject to the SPA may not be taxed for ad valorem purposes by the City. Additional properties may become subject to the SPA by amending the SPA upon the consent of the City and the District. The City pays the District an amount equal to 50 percent of all Sales and Use Tax revenues generated from the properties subject to the SPA. The term of the SPA is 30 years. During the term of the SPA, the City has agreed not to annex all or part of the District or commence any action to annex all or part of the District for full purposes.

### **Tax Abatement**

Harris County or the City may designate all or part of the area within the District as a reinvestment zone. Thereafter, the City (after annexation of the District), Harris County, or the District, at the option and discretion of each entity, may enter into tax abatement agreements with owners of property within the zone. Prior to entering into a tax abatement agreement, each entity must adopt guidelines and criteria for establishing tax abatement, which each entity will follow in granting tax abatement to owners of property. The tax abatement agreements may exempt from ad valorem taxation by each of the applicable taxing jurisdictions, including the District, for a period of up to ten (10) years, all or any part of any increase in the assessed valuation of property covered by the agreement over its assessed valuation in the year in which the agreement is executed, on the condition that the property owner make specified improvements or repairs to the property in conformity with the terms of the tax abatement. Each taxing jurisdiction, including the District, has discretion to determine terms for its tax abatement agreements without regard to the terms approved by the other taxing jurisdictions. According to the District's Tax Assessor/Collector, to date, none of the area within the District has been designated as a reinvestment zone.

### **Valuation of Property for Taxation**

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

The Property Tax Code permits land designated for agricultural use, open space, or timberland to be appraised at its value based on the land's capacity to produce agricultural or timber products rather than at its market value. The Property Tax Code permits, under certain circumstances, that residential real property inventory held by a person in the trade or business be valued at the price all such property would bring if sold as a unit to a purchaser who would continue the business. 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 chief 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 for another. If a claimant receives the agricultural use designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use, including taxes for the previous three (3) years for agricultural use and taxes for the previous five (5) years for open space land and timberland.

The Property Tax Code requires the Appraisal District to implement a plan for periodic reappraisal of property to update appraisal values. The plan must provide for appraisal of all real property in the Appraisal District at least once every three (3) years.

It is not known what frequency of reappraisal will be utilized by the Appraisal District or whether reappraisals will be conducted on a zone-wide or county-wide basis. The District, however, at its expense, has the right to obtain from the Appraisal District a current estimate of appraised values within the District or an estimate of any new property or improvements within the District. While such current estimate of appraised values may serve to indicate the rate and extent of growth of taxable values within the District, it cannot be used for establishing a tax rate within the District until such time as the Appraisal District chooses to formally include such values on its appraisal roll.

### **District and Taxpayer Remedies**

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

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

### **Levy and Collection of Taxes**

The District is responsible for the levy and collection of its taxes unless it elects to transfer such functions to another governmental entity. The rate of taxation is set by the Board 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 6% of the amount of the tax for the first calendar month it is delinquent, plus 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 12% regardless of the number of months the tax has been delinquent and incurs an additional penalty for collection costs of an amount established by the District and a delinquent tax attorney. A delinquent tax on personal property incurs an additional penalty, in an amount established by the District and a delinquent tax attorney, 60 days after the date the taxes become delinquent. Similarly, a delinquent tax on real property incurs such additional penalty on July 1 of the year in which taxes become delinquent. 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 not to exceed 20%. The delinquent tax accrues interest at a rate of 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.

Taxpayers for homesteads and small businesses damaged as a direct result of a disaster may pay property taxes on the property in four equal quarterly installments by notice to the District before the delinquency date without penalty or interest. Installments must be completed within six months of the delinquency date, which normally is February 1 but could be delayed because of delayed valuations. Quarterly payments by a substantial number of owners could adversely affect a District's collection of taxes for debt services in the year following a disaster.

The District's tax collector is required to enter into an installment payment agreement with any person who is delinquent on the payment of tax on a residence homestead if the person has been granted an exemption under Section 11.13, of the Property Tax Code; requests an installment agreement; and has not entered into an installment agreement with the collector in the preceding 24 months. The installment agreement must provide for payments to be made in monthly installments and must extend for a period of at least 12 months and no more than 36 months.

Effective January 1, 2018, property owners affected by a disaster may pay property taxes in four equal installments following the disaster. In addition, effective September 1, 2017, certain classes of disabled veterans may receive a deferral or abatement of delinquent taxes without penalty during the time they own or occupy the property as their residential homestead.

### **Rollback of Operation and Maintenance Tax Rate**

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

**Special Taxing Units.** Special Taxing Units that adopt a total tax rate that would impose more than 1.08 times the amount of the total tax imposed by such district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead in the district, subject to certain homestead exemptions, are required to hold an election within the district

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

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

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

**The District.** A determination as to a district's status as a Special Taxing Unit, Developed District, or Developing District will be made by the Board of Directors on an annual basis. The Board of Directors designated the District as a Developing District for purposes of setting the 2025 tax rate. The District cannot give any assurances as to what its classification will be at any point in time or whether the District's future tax rates will result in a total tax rate that will reclassify the District into a new classification and new election calculation.

### **District's Rights in the Event of Tax Delinquencies**

Taxes levied by the District are a personal obligation of the owner of the property as of January 1 of the year in 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 and the City, having the power to tax the property. The District's tax lien is on a parity with the tax liens of other such taxing units. See "TAX DATA – Estimated 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 (a taxpayer may redeem property within six months for commercial property, within two years for residence homesteads and land designated for agricultural use, and six months for all other property after the purchaser's deed issued at the foreclosure sale is filed in the county records), or by bankruptcy proceedings that restrict the collection of taxpayer debts. See "INVESTMENT CONSIDERATIONS – Tax Collections."

### **The Effect of FIRREA on Tax Collections of the District**

The Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA") contains certain provisions which affect the time for protesting property valuations, the fixing of tax liens and the collection of penalties and interest on delinquent taxes on real property owned by the Federal Deposit Insurance Corporation ("FDIC") when the FDIC is acting as the conservator or receiver of an insolvent financial institution.

Under FIRREA, real property held by the FDIC is still subject to ad valorem taxation, but such act states (i) that no real property of the FDIC shall be subject to foreclosure or sale without the consent of the FDIC and no involuntary liens shall attach to such property, (ii) the FDIC shall not be liable for any penalties, interest, or fines, including those arising from the failure to pay any real or personal property tax when due, and (iii) notwithstanding failure of a person to challenge an appraisal in accordance with state law, such value shall be determined as of the period for which such tax is imposed.

To the extent the FIRREA provisions are valid and applicable to any property in the District and to the extent that they affect the timeliness of collection of taxes on property, if any, owned by the FDIC in the District and may prevent the collection of penalties and interest on such taxes.

## **ANNEXATION, STRATEGIC PARTNERSHIP AGREEMENT, AND CONSOLIDATION**

### **Annexation by the City of Houston**

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City, the District may be annexed by the City without the District's consent, subject to compliance by the City with various requirements of Chapter 43 of the Texas Local Government Code, as amended. If the District is annexed, the City must assume the District's assets and obligations (including the Bonds) and abolish the District within 90 days of the date of annexation. Annexation of territory by the City is a policy-making matter within the discretion of the Mayor and City Council of the City, and therefore, the District makes no representation that the City will ever annex the District and assume its debt. Moreover, no representation is made concerning the ability of the City to make debt service payments should annexation occur. Under the terms of a Strategic Partnership Agreement between the District and the City, the City has agreed not to take any action to annex the District for full purposes (a traditional municipal annexation) until July 11, 2036. See "– Strategic Partnership Agreement" below.

### **Strategic Partnership Agreement**

Utilizing a provision of Texas law, the City and the District entered into a Strategic Partnership Agreement ("SPA") effective as of July 11, 2006. The SPA provides for the City's limited purpose annexation of certain developed commercial tracts within the District for imposition of the City's Sales and Use Tax, voting in City elections, certain municipal court jurisdictions, and health inspection services and enforcement. No other City services are provided. The properties made subject to the SPA may not be taxed for ad valorem purposes by the City. Additional properties may become subject to the SPA by amending the SPA upon the consent of the City and the District. The City pays the District an amount equal to 50 percent of all Sales and Use Tax revenues generated from the properties subject to the SPA. The term of the SPA is 30 years. During the term of the SPA, the City has agreed not to annex all or part of the District or commence any action to annex all or part of the District for full purposes.

### **Consolidation**

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

## **THE BONDS**

### **General**

The Bond Order authorizes the issuance and sale of the Bonds and prescribes terms, conditions, and provisions for the payment of the principal of and interest on the Bonds by the District. Set forth below is a summary of certain provisions of the Bond Order. Capitalized terms in such summary are used as defined in the Bond Order. Such summary is not a complete description of the entire Bond Order and is qualified in its entirety by reference to the Bond Order, a copy of which is available from the District's Bond Counsel upon request.

The Bonds are dated and will bear interest from May 1, 2026, at the per annum rates shown on the cover page hereof. The Bonds are fully registered, serial bonds maturing on March 1 in the years and in the principal amounts set forth on the cover page hereof. Interest on the Bonds is payable September 1, 2026, and each March 1 and September 1 thereafter until the earlier of maturity or redemption. The Record Date on the Bonds is the 15<sup>th</sup> day of the calendar month next preceding the interest payment date.

The Bonds will be issued only in fully registered form in any integral multiple of \$5,000 of the principal amount for any one maturity and will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC"), pursuant to the Book-Entry-Only System described herein. No physical delivery of the Bonds will be made to the owners thereof. Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the beneficial owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM" herein.

In the event that the Book-Entry-Only System is discontinued, interest on the Bonds shall be payable by check on or before each interest payment date, mailed by the Paying Agent/Registrar to the registered owners ("Registered Owners") as shown on the bond register (the "Register") kept by the Paying Agent/Registrar at the close of business on the 15<sup>th</sup> calendar day of the month immediately preceding each interest payment date to the address of such Registered Owner as shown on the Register, or by such other customary banking arrangements as may be agreed upon by the Paying Agent/Registrar and a Registered Owner at the risk and expense of such Registered Owner.

### **Authority for Issuance**

The Bonds are issued by the District pursuant to the terms, conditions, and provisions of the Bond Order; Article XVI, Section 59, of the Texas Constitution; Chapters 49 and 54 of the Texas Water Code, as amended; an approving order of the TCEQ; and elections held within the District.

### **Optional Redemption**

The District reserves the right, at its option, to redeem the Bonds maturing on or after March 1, 2032, prior to their scheduled maturities, in whole or from time to time in part, in integral multiples of \$5,000, on or after March 1, 2031, at a price equal to the principal amount thereof plus accrued interest thereon from the most recent interest payment date through the date fixed for redemption. If fewer than all of the Bonds are to be redeemed, the particular maturity or maturities and the amounts thereof to be redeemed shall be determined by the District. If fewer than all of the Bonds of the same maturity are to be redeemed, the particular Bonds shall be selected by DTC in accordance with its procedures, so long as the Bonds are registered in accordance with the Book-Entry-Only System. See "BOOK-ENTRY-ONLY SYSTEM." Notice of each exercise of the reserved right of optional redemption shall be given at least 30 calendar days prior to the date fixed for redemption, in the manner specified in the Bond Order.

By the date fixed for redemption, due provision shall be made with the Paying Agent/Registrar for payment of the principal of the Bonds or portions thereof to be redeemed, plus accrued interest to the date fixed for redemption. When Bonds have been called for redemption in whole or in part and due provision has been made to redeem the same as herein provided, the Bonds or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Beneficial Owners (as defined herein) to collect interest which would otherwise accrue after the redemption date on any Bond or portion thereof called for redemption shall terminate on the date fixed for redemption.

### **Source of and Security for Payment**

The Bonds are secured by, and payable from, the levy of a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property in the District. In the Bond Order, the District covenants to levy a sufficient tax to pay principal of and interest on the Bonds, with full allowance being made for delinquencies, costs of collections, Registrar fees, and Appraisal Districts fees. The Bonds are obligations of the District and are not the obligations of the State of Texas, Harris County, the City of Houston, or any entity other than the District.

### **Defeasance**

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

### **Funds**

The Bond Order confirms the District's Debt Service Fund, which is to be kept separate from all other funds of the District and used for payment of debt service on the Bonds, the Outstanding Bonds, and any additional bonds payable from taxes that may be issued in the future by the District. Amounts on deposit in the Debt Service Fund may also be used to pay the fees and expenses of the Registrar.

Accrued interest on the Bonds shall be deposited into the Debt Service Fund upon receipt. The remaining proceeds of sale of the Bonds shall be deposited into the Capital Projects Fund to be used for the purpose of paying certain construction costs and for paying the costs of issuance of the Bonds. Any monies remaining in the Capital Projects Fund will be used as described in the Bond Order or ultimately transferred to the Debt Service Fund in accordance with TCEQ rules.

### **No Arbitrage**

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

### **Authorized and Unissued Bonds**

The District may issue additional bonds, with the approval of the TCEQ, necessary to provide and maintain improvements and facilities consistent with the purposes for which the District was created. See "THE DISTRICT – Authority." The District's voters have authorized the issuance of a total of \$12,400,000 unlimited tax and revenue bonds for the purpose of acquiring or constructing water, sanitary sewer and drainage facilities and could authorize additional amounts. The District has \$1,790,000 of unlimited tax and revenue bonds authorized but unissued for improvements and facilities. The voters in the District have also authorized the issuance of \$10,100,000 unlimited tax bonds. After the issuance of the Bonds, the District will have \$765,000 authorized but unissued unlimited tax bonds that may be issued for improvements of facilities and \$10,100,000 authorized but unissued bonds for the purpose of refunding unlimited tax bonds previously issued. 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.

The District has the right to issue additional new money bonds as may hereafter be approved by both the Board and the voters of the District, and to issue refunding bonds as approved by the Board. Any such additional new money bonds and refunding bonds would be issued on parity with the Bonds. Any future new money bonds to be issued by the District must also be approved by the TCEQ. If additional bonds are issued in the future and property values have not increased proportionately, such issuance might increase gross debt/property valuation ratios and thereby adversely affect the investment quality or security of the Bonds.

### **Financing Parks and Recreational Facilities**

Conservation and reclamation districts in certain counties, such as the District, are authorized to develop and finance with property taxes certain parks and recreational facilities after a district election has been successfully held to approve a maintenance tax to support parks and recreational facilities and/or the issuance of bonds payable from taxes.

The District is authorized to levy an operation and maintenance tax to support parks and recreational facilities at a rate not to exceed \$0.10 per \$100 of assessed value of taxable property in the District, after such tax is approved at an election. In addition, the District is authorized to issue bonds payable from an annual ad valorem tax to pay for the development and maintenance of parks and recreational facilities if (i) the District duly adopts a park plan; (ii) the bonds are authorized at an election; (iii) the bonds payable from any source do not exceed the maximum amount provided by law; (iv) the District obtains any necessary governmental consents allowing the issuance of such bonds; and (v) the bonds are approved by the Attorney General of Texas. The District may issue bonds for such purposes payable solely from net operating revenues without an election. The issuance of such bonds is subject to rules and regulations to be adopted by the TCEQ.

At an election held within the District on May 15, 2004, voters of the District approved the use of up to \$0.10 of previously approved maintenance tax for maintenance of parks and recreational facilities. The District has not considered calling an election to authorize the issuance of park bonds but could consider doing so in the future.

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

### **Financing Road Facilities**

Pursuant to Chapter 54 of the Texas Water Code, as amended, a municipal utility district may petition the TCEQ for the power to issue bonds supported by property taxes to finance roads. Before the District could issue such bonds, the District would be required to receive a grant of such power from the TCEQ, authorization from the District's voters to issue such bonds, and approval of the bonds by the Attorney General of Texas. The District has not considered filing an application to the TCEQ for "road powers" nor calling such an election at this time. Issuance of bonds for roads could dilute the investment security for the Bonds.

### **Paying Agent/Registrar**

Pursuant to the Bond Order, the initial paying agent and initial registrar with respect to the Bonds is The Bank of New York Mellon Trust Company, N.A., Dallas, Texas. The District will maintain at least one Registrar, where the Bonds may be surrendered for transfer and/or for exchange or replacement for other Bonds, any outstanding bonds, and for the purpose of maintaining the Bond Register on behalf of the District. The Registrar is required at all times to be a duly qualified banking corporation or association organized and doing business under the laws of the United States of America, or of any state thereof, and subject to supervision or examination by federal or state banking authorities.

The District reserves the right and authority to change any paying agent/registrar and, upon any such change, the District covenants and agrees in the Bond Order to promptly cause written notice thereof, specifying the name and address of such successor paying agent/registrar, to be sent to each Registered Owner of the Bonds by United States mail, first class, postage prepaid.

### **Registration, Transfer, and Exchange**

In the event the Book-Entry-Only System should be discontinued, the Bonds will be transferable only on the Bond Register kept by the Registrar upon surrender and reissuance. The Bonds are exchangeable for an equal principal amount of Bonds of the same maturity and of any authorized denomination upon surrender of the Bonds to be exchanged at the operations office of the Registrar in Dallas, Texas. See "BOOK-ENTRY-ONLY SYSTEM" herein for a description of the system to be utilized initially in regard to the ownership and transferability of the Bonds. Every Bond presented or surrendered for transfer is required to be duly endorsed, or be accompanied by a written instrument of transfer, in a form satisfactory to the Registrar. Neither the Registrar nor the District is required (i) to transfer or exchange any Bond during the period beginning at the opening of business on a Record Date (defined herein) and ending at the close of business on the next succeeding interest payment date, or (ii) to transfer or exchange any Bond selected for redemption in whole or in part within 30 calendar days of the redemption date. No service charge will be made for any transfer or exchange, but the District or the Registrar may require payment of a sum sufficient to cover any tax or governmental charge payable in connection therewith.

### **Replacement of Mutilated, Lost, or Stolen Bonds**

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

### **Legal Investment and Eligibility to Secure Public Funds in Texas**

Pursuant to the Texas Bond Procedures Act, Chapter 1201, Texas Government Code, as amended, and Section 49.186, Texas Water Code, the Bonds, whether rated or unrated, are (a) legal investments for banks, savings banks, trust companies, building and loan associations, savings and loan associations, insurance companies, fiduciaries, and trustees and (b) legal investments for the public funds of cities, towns, villages, school districts, and other political subdivisions or public agencies of the State. Most political subdivisions in the State of Texas are required to adopt investment guidelines under the Public Funds Investment Act, Chapter 2256, Texas Government Code, and such political subdivisions may impose a requirement consistent with such act that the Bonds have a rating of not less than "A" or its equivalent to be legal investments for such entity's funds. The Bonds are eligible under the Public Funds Collateral Act, Chapter 2257, Texas Government Code, to secure deposits of public funds of the State or any political subdivision or public agency of the State and are lawful and sufficient security for those deposits to the extent of their market value. Again, political subdivisions in the State of Texas may impose a requirement that the Bonds have a rating of not less than "A" or its equivalent to be eligible to serve as collateral for their funds.

The District has not reviewed the laws in other states to determine whether the Bonds are legal investments for various institutions in those states or eligible to serve as collateral for public funds in those states. The District has made no investigation of any other laws, rules, regulations or investment criteria that might affect the suitability of the Bonds for any of the above purposes or limit the authority of any of the above persons or entities to purchase or invest in 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, Maturity Value, and interest on the Bonds are to be paid to and credited by DTC while the Bonds are registered in its nominee 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, the Financial Advisor, and the Underwriter believe the source of such information to be reliable but take no responsibility for the accuracy or completeness thereof.*

The District and the Underwriter cannot and do not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (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 United States Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities. 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](http://www.dtcc.com).

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

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

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

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

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

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

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

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

The information in this section concerning DTC and DTC's book-entry-only system has been obtained from sources that the District believes to be reliable, but none of the District, the Financial Advisor or the Underwriter takes any responsibility for the accuracy thereof. Termination by the District of the DTC Book-Entry-Only System may require consent of DTC Participants under DTC Operational Arrangements.

## **LEGAL MATTERS**

### **Legal Opinion**

The District will furnish the Underwriter a transcript of certain certified proceedings held incident to the authorization and issuance of the Bonds, including a certified copy of the approving opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State of Texas, to the effect that the Bonds are valid and legally binding obligations of the District. The District will also furnish the legal opinion of Marks Richardson PC ("Bond Counsel") to the effect that, based upon an examination of such transcript, the Bonds are legal, valid and binding obligations of the District and the legal opinion of Bond Counsel to the effect that the interest on the Bonds is exempt from federal income taxation under existing statutes, regulations, published rulings and court decisions, subject to the matters described in "TAX MATTERS" herein, including the alternative minimum tax on corporations. See "TAX MATTERS." Such opinions express no opinion with respect to the sufficiency of the security for or the marketability of the Bonds.

Bond Counsel's opinion is not a guarantee of a result, but represents legal judgment based upon the review of existing statutes, regulations, published rulings, court decisions, and the representations and covenants of the District described above. No ruling has been sought from the Internal Revenue Service (the "Service") with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the Service. The Service has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt obligations. If an audit of the Bonds is commenced, under current procedures the Service is likely to treat the District as the "taxpayer," and the Owners would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Bonds, the District may have different or conflicting interests from the Owners. 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 its ultimate outcome.

### **Legal Review**

Bond Counsel has reviewed the information appearing in the Official Statement under the captions "THE DISTRICT – Authority," "MANAGEMENT OF THE DISTRICT (Bond Counsel)," "TAXING PROCEDURES," "THE BONDS," "TAX MATTERS," and "LEGAL MATTERS – Legal Opinion" solely to determine whether such information fairly summarizes the procedures, laws, and documents referred to therein. Bond Counsel has not, however, independently verified any of the factual information contained in this Official Statement nor has it conducted an investigation of the affairs of the District for the purpose of passing upon the accuracy or completeness of this Official Statement. No person is entitled to rely upon Bond Counsel's limited participation as an assumption of responsibility for or an expression of opinion of any kind with regard to the accuracy or completeness of any information contained herein, other than the matters discussed immediately above.

Bond Counsel has reviewed the information appearing in the Official Statement under the caption "TAX MATTERS" solely to determine whether such information fairly summarizes the procedures, laws, and documents referred to therein. Bond Counsel has not however, independently verified any of the factual information contained in this Official Statement nor has it conducted an investigation of the affairs of the District for the purpose of passing upon the accuracy or completeness of this Official Statement. No person is entitled to rely upon Bond Counsel's limited participation as an assumption of responsibility for or an expression of opinion of any kind with regard to the accuracy or completeness of any information contained herein, other than the matters discussed immediately above.

Marks Richardson PC acts as General Counsel to the District on matters other than the issuance of bonds. The legal fees paid to Bond Counsel for services rendered in connection with the issuance of the Bonds are based on a percentage of the bonds actually issued, sold and delivered and, therefore, such fees are contingent upon the sale and delivery of the Bonds.

## TAX MATTERS

### Tax Exemption

The delivery of the Bonds is subject to the opinion of Bond Counsel that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof ("Existing Law"), interest on the Bonds is excludable from gross income for federal income tax purposes and interest on the Bonds is not subject to the alternative minimum tax on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code")) for the purpose of determining the alternative minimum tax imposed on corporations.

Except as stated above, Bond Counsel will express no opinion as to any federal, state, or local tax consequences resulting from the ownership of, receipt of interest on, or disposition of the Bonds. The law upon which Bond Counsel has based its opinion is subject to change by the Congress, administrative interpretation by the Department of the Treasury and to subsequent judicial interpretation. There can be no assurance that such law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of ownership of the Bonds.

The Code imposes a number of requirements that must be satisfied in order for interest on state or local obligations, such as the Bonds, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of bond proceeds and the source of repayment of bonds, limitations on the investment of bond proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of bond proceeds be paid periodically to the United States and a requirement that the District file an information report with the Internal Revenue 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 with respect to matters solely within the knowledge of the District, 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.

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

**INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIFIC PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP, AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE BONDS.**

Under Section 6012 of the Code, holders of tax-exempt obligations, such as the Bonds, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation. Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Bonds, if such obligation was acquired at a "market discount" and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to "market discount bonds" to the extent such gain does not exceed the accrued market discount of such bonds; although for this purpose, a de minimis amount of market discount is ignored. A "market discount bond" is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the "revised issue price" (i.e. the issue price plus accrued original issue discount). The "accrued market discount" is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

### State, Local, and Foreign Taxes

Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership or disposition of the Bonds under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

## **Tax Accounting Treatment of Original Issue Discount and Premium Bonds**

The initial public offering price to be paid for one or more maturities of the Bonds may be less than the principal amount thereof or one or more periods for the payment of interest on the Bonds may not be equal to the accrued period or be in excess of one year (the "Original Issue Discount Bonds"). The difference between (i) the "stated redemption price at maturity" of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond constitutes original issue discount with respect to such Original Issue Discount Bond in the hands of any owner who has purchased such Original Issue Discount Bond in the initial public offering of the Bonds. The "stated redemption price at maturity" means the sum of all payments to be made on the Bonds less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under Existing Law, 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. See "– Tax Exemption" herein for a discussion of certain collateral federal tax consequences.

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.

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 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, redemption, sale or other disposition of Original Issue Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. ALL OWNERS OF ORIGINAL ISSUE DISCOUNT BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE DETERMINATION FOR FEDERAL, STATE, AND LOCAL INCOME TAX PURPOSES OF INTEREST ACCRUED UPON REDEMPTION, SALE OR OTHER DISPOSITION OF SUCH 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.

The initial public offering price to be paid for certain maturities of the Bonds may be greater than the amount payable on such Bonds at maturity (the "Premium Bonds"). An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial purchaser of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial purchaser must be reduced each year by the amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser's yield to maturity. PURCHASERS OF THE PREMIUM BONDS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS WITH RESPECT TO THE DETERMINATION OF AMORTIZABLE BOND PREMIUM WITH RESPECT TO THE PREMIUM BONDS FOR FEDERAL INCOME TAX PURPOSES AND WITH RESPECT TO THE STATE AND LOCAL TAX CONSEQUENCES OF OWNING PREMIUM BONDS.

## **Qualified Tax-Exempt Obligations**

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

The District will designate the Bonds as "qualified tax-exempt obligations" and has represented that the aggregate amount of tax-exempt bonds (including the Bonds) issued by the District and entities aggregated with the District under the Code during calendar year 2026 is not expected to exceed \$10,000,000 and that the District and entities aggregated with the District under the Code have not designated more than \$10,000,000 in "qualified tax-exempt obligations" (including the Bonds) during calendar year 2026.

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

## **NO-LITIGATION CERTIFICATE**

On the date of delivery of the Bonds, the District will execute and deliver a certificate to the effect that there is not pending, and to the knowledge of the District, there is not threatened, any litigation affecting the validity of the Bonds, or the levy and/or collection of taxes for the payment thereof, or the organization or boundaries of the District, or the title of the officers thereof to their respective offices.

## **NO MATERIAL ADVERSE CHANGE**

The obligation of the Underwriter to take and pay for the Bonds, and of the District to deliver the Bonds, 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 financial condition of the District from that set forth or contemplated in the Official Statement, as it may have been supplemented or amended through the date of sale.

## **REGISTRATION AND QUALIFICATION UNDER SECURITIES LAWS**

The offer and sale of the Bonds have not been registered or qualified under the Securities Act of 1933, as amended, in reliance upon the exemptions provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein, and the Bonds have not been registered or qualified under the Securities laws of any other jurisdiction. The District assumes no responsibility for qualification of the Bonds under the Securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated 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 provisions.

## **OFFICIAL STATEMENT**

### **Sources of Information**

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

### **Financial Advisor**

The GMS Group, L.L.C. is employed as the Financial Advisor to the District to render certain professional services, including advising the District on a plan of financing and preparing the Official Statement, the Official Notice of Sale, and the Official Bid Form for the sale of the Bonds. In its capacity as Financial Advisor, The GMS Group, L.L.C. has compiled and edited this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to the District and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

### **Consultants**

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

*Engineer* – The information contained in this Official Statement relating to engineering matters generally and to the description of the System and in particular that information included in the sections entitled "DESCRIPTION OF THE DISTRICT'S SYSTEM," "USE OF BOND PROCEEDS," and certain engineering matters included in "THE DISTRICT – Description, Location, and Status of Development" has been provided by Lockwood, Andrews & Newnam, Inc., and has been included in reliance upon the authority of such firm as an expert in the field of civil engineering.

*Tax Assessor/Collector* – The information contained in this Official Statement relating to the assessed valuation of property and, in particular, such information contained in the section captioned "TAX DATA," has been provided by the Harris Central Appraisal District and by Tax Tech, Inc., in reliance upon their authority as experts in the field of tax assessing and appraising.

*Auditor* – The financial statements of the District as of March 31, 2025, and for the year then ended, included in this offering document, have been audited by McCall Gibson Swedlund Barfoot Ellis PLLC, Certified Public Accountants, as stated in their report appearing herein. See "APPENDIX A" for a copy of the District's March 31, 2025, audited financial statements.

### **Continuing Availability of Financial Information**

Pursuant to Texas law, the District has its financial statements prepared in accordance with generally accepted accounting principles and has its financial statements audited by a certified public accountant in accordance with generally accepted auditing standards within 120 days after the close of its fiscal year. The District audit report is required to be filed with the TCEQ within 135 days after the close of its fiscal year.

The District's financial records and audit reports are available for public inspection during regular business hours at the office of the District and copies will be provided on written request, to the extent permitted by law, upon payment of copying charges. Requests for copies should be addressed to the District in care of Marks Richardson PC, 3355 W. Alabama Street, Suite 350, Houston, Texas, 77098.

### **Certification as to Official Statement**

At the time of payment for and delivery of the Bonds, the District will furnish the Underwriter a certificate, executed by the President and Secretary of the Board, acting in their official capacities, to the effect that to the best of their knowledge and belief: (a) the information, descriptions and statements of or pertaining to the District contained in the Notice of Sale, the Preliminary Official Statement, and this Official Statement, on the date thereof and on the date of delivery were and are true and correct in all material respects; (b) insofar as the District and its affairs, including its financial affairs, are concerned, in the Notice of Sale, the Preliminary Official Statement, and this Official Statement did not and do not contain an untrue statement of a material fact or omit to state a material fact required to be stated herein or necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading; and (c) insofar as the descriptions and statements, including financial data contained in this Official Statement, of or pertaining to entities other than the District and their activities are concerned, such statements and data have been obtained from sources which the District believes to be reliable and that the District has no reason to believe that they are untrue in any material respect or omit to state any material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading; however, the District has made no independent investigation as to the accuracy or completeness of the information derived from sources other than the District.

### **Updating of Official Statement**

The District will keep the Official Statement current by amendment or sticker to reflect material changes in the affairs of the District and, to the extent that information comes to its attention, to the other matters described in the Official Statement until the delivery of the Bonds to the Underwriter, unless the Underwriter notifies the District that less than all of the Bonds have been sold to ultimate customers on or before such date, in which case the obligation will extend until the earlier of the time when all of the Bonds have been sold or 90 days after delivery of the Bonds.

### **MISCELLANEOUS**

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

This Official Statement was approved by the Board of Directors of Post Wood Municipal Utility District as of the date shown on the cover page.

**APPENDIX A**

**AUDITED FINANCIAL STATEMENTS OF THE DISTRICT**

**FOR THE FISCAL YEAR ENDED MARCH 31, 2025**

**POST WOOD MUNICIPAL UTILITY DISTRICT**

**HARRIS COUNTY, TEXAS**

**ANNUAL FINANCIAL REPORT**

**MARCH 31, 2025**

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# *McCall Gibson Swedlund Barfoot Ellis PLLC*

*Certified Public Accountants*

*Chris Swedlund  
Noel W. Barfoot  
Joseph Ellis  
Ashlee Martin*

*Mike M. McCall  
(retired)  
Debbie Gibson  
(retired)*

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Post Wood Municipal Utility District  
Harris County, Texas

### **Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of Post Wood Municipal Utility District (the "District") as of and for the year ended March 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of March 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

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

### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

### **Required Supplementary Information**

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

Board of Directors  
Post Wood Municipal Utility District

### **Supplementary Information**

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

*McCall Gibson Swedlund Barfoot Ellis PLLC*

McCall Gibson Swedlund Barfoot Ellis PLLC  
Certified Public Accountants  
Houston, Texas

June 5, 2025

**POST WOOD MUNICIPAL UTILITY DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2025**

Management’s discussion and analysis of the financial performance of Post Wood Municipal Utility District (the “District”) provides an overview of the District’s financial activities for the year ended March 31, 2025. Please read it in conjunction with the District’s financial statements.

**USING THIS ANNUAL REPORT**

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

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

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

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

**FUND FINANCIAL STATEMENTS**

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has three governmental fund types. The General Fund accounts for resources not accounted for in another fund, customer service revenues, operating costs and general expenditures. The Debt Service Fund accounts for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes. The Capital Projects Fund accounts for financial resources restricted, committed or assigned for the acquisition or construction of facilities and related costs.

**POST WOOD MUNICIPAL UTILITY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2025**

**FUND FINANCIAL STATEMENTS (Continued)**

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

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

**OTHER INFORMATION**

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets exceeded liabilities by \$5,466,257 as of March 31, 2025. A portion of the District's net position reflects its net investment in capital assets which include buildings, water and wastewater facilities less any debt used to acquire those assets that is still outstanding.

**POST WOOD MUNICIPAL UTILITY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2025**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

The following is a comparative analysis of government-wide changes in net position:

	<u>Summary of Changes in the Statement of Net Position</u>		
	<u>2025</u>	<u>2024</u>	<u>Change Positive (Negative)</u>
Current and Other Assets	\$ 4,678,588	\$ 4,588,518	\$ 90,070
Capital Assets (Net of Accumulated Depreciation)	<u>7,022,716</u>	<u>6,340,465</u>	<u>682,251</u>
Total Assets	<u>\$ 11,701,304</u>	<u>\$ 10,928,983</u>	<u>\$ 772,321</u>
Bonds Payable	\$ 5,468,554	\$ 5,648,252	\$ 179,698
Other Liabilities	<u>766,493</u>	<u>466,683</u>	<u>(299,810)</u>
Total Liabilities	<u>\$ 6,235,047</u>	<u>\$ 6,114,935</u>	<u>\$ (120,112)</u>
Net Position:			
Net Investment in Capital Assets	\$ 2,436,861	\$ 2,344,533	\$ 92,328
Restricted	299,854	284,120	15,734
Unrestricted	<u>2,729,542</u>	<u>2,185,395</u>	<u>544,147</u>
Total Net Position	<u>\$ 5,466,257</u>	<u>\$ 4,814,048</u>	<u>\$ 652,209</u>

The following table provides a summary of the District's operations for the years ending March 31, 2025, and March 31, 2024.

	<u>Summary of Changes in the Statement of Activities</u>		
	<u>2025</u>	<u>2024</u>	<u>Change Positive (Negative)</u>
Revenues:			
Property Taxes	\$ 994,134	\$ 988,215	\$ 5,919
Charges for Services	1,624,819	1,799,667	(174,848)
Other Revenues	<u>248,218</u>	<u>248,362</u>	<u>(144)</u>
Total Revenues	<u>\$ 2,867,171</u>	<u>\$ 3,036,244</u>	<u>\$ (169,073)</u>
Expenses for Services	<u>2,214,962</u>	<u>2,532,896</u>	<u>317,934</u>
Change in Net Position	\$ 652,209	\$ 503,348	\$ 148,861
Net Position, Beginning of Year	<u>4,814,048</u>	<u>4,310,700</u>	<u>503,348</u>
Net Position, End of Year	<u>\$ 5,466,257</u>	<u>\$ 4,814,048</u>	<u>\$ 652,209</u>

**POST WOOD MUNICIPAL UTILITY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2025**

**FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS**

The District's combined fund balances as of March 31, 2025, were \$3,847,879, a decrease of \$223,594 from the prior year.

The General Fund fund balance increased by \$536,416, primarily due to service revenues and property tax revenues exceeding operating and administrative costs.

The Debt Service Fund fund balance increased by \$9,611, primarily due to the structure of the District's long-term debt.

The Capital Projects Fund fund balance decreased by \$769,621, primarily due to the use of bond proceeds received in a prior year to fund current year capital costs.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The Board of Directors adopted a budget for the General Fund for the current fiscal year. Actual revenues were \$91,857 more than budgeted revenues, actual expenditures were \$362,590 less than budgeted expenditures, and actual transfers out were more than budgeted by \$21,108. This resulted in a positive variance of \$433,339. See the budget to actual comparison for more information.

**CAPITAL ASSETS**

Capital assets as of March 31, 2025, total \$7,022,716 (net of accumulated depreciation) and include land, buildings and equipment as well as the water and wastewater systems. The District spent operating and bond funds on rehabilitation and improvements to the District's infrastructure in the current fiscal year.

Capital Assets At Year-End			
	2025	2024	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 56,209	\$ 56,209	\$
Construction in Progress	1,080,223	99,105	981,118
Capital Assets Subject to Depreciation:			
Buildings and Improvements	415,975	415,975	
Water System	3,702,886	3,702,886	
Wastewater System	8,408,330	8,408,330	
Less Accumulated Depreciation	(6,640,907)	(6,342,040)	(298,867)
Total Net Capital Assets	\$ 7,022,716	\$ 6,340,465	\$ 682,251

**POST WOOD MUNICIPAL UTILITY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2025**

**LONG-TERM DEBT ACTIVITY**

At the end of the current fiscal year, the District had total long-term debt payable of \$5,560,000. The changes in the debt position of the District during the current fiscal year are summarized in the following table:

Bond Debt Payable, April 1, 2024	\$ 5,745,000
Less: Bond Principal Paid	<u>(185,000)</u>
Bond Debt Payable, March 31, 2025	<u>\$ 5,560,000</u>

The District's bonds have underlying ratings of "A-". The Series 2014 Bonds and Series 2019 Bonds carry insured ratings of "AA" by virtue of bond insurance issued by Assured Guaranty Inc. Credit enhanced ratings provided through bond insurance policies are subject to change based on changes to the ratings of the insurers.

**CONTACTING THE DISTRICT'S MANAGEMENT**

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Post Wood Municipal Utility District, c/o Marks Richardson PC, 3700 Buffalo Speedway, Suite 830, Houston, TX 77098.

**POST WOOD MUNICIPAL UTILITY DISTRICT**  
**STATEMENT OF NET POSITION AND**  
**GOVERNMENTAL FUNDS BALANCE SHEET**  
**MARCH 31, 2025**

	General Fund	Debt Service Fund
<b>ASSETS</b>		
Cash	\$ 182,033	\$ 70,940
Investments	2,667,898	253,829
Receivables:		
Property Taxes	39,362	27,808
Penalty and Interest on Delinquent Taxes		
Service Accounts	132,413	
Accrued Interest	14,898	
Due from Other Funds	48,592	750
Prepaid Costs	13,084	
Due from City of Houston	8,459	
Joint Facilities Operating Advance	13,113	
Land		
Construction in Progress		
Capital Assets (Net of Accumulated Depreciation)		
<b>TOTAL ASSETS</b>	<b>\$ 3,119,852</b>	<b>\$ 353,327</b>

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

<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
\$ 301,491	\$ 554,464	\$	\$ 554,464
941,817	3,863,544		3,863,544
	67,170		67,170
		11,443	11,443
	132,413		132,413
	14,898		14,898
	49,342	(49,342)	
	13,084		13,084
	8,459		8,459
	13,113		13,113
		56,209	56,209
		1,080,223	1,080,223
		5,886,284	5,886,284
<u>\$ 1,243,308</u>	<u>\$ 4,716,487</u>	<u>\$ 6,984,817</u>	<u>\$ 11,701,304</u>

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

**POST WOOD MUNICIPAL UTILITY DISTRICT  
STATEMENT OF NET POSITION AND  
GOVERNMENTAL FUNDS BALANCE SHEET  
MARCH 31, 2025**

	General Fund	Debt Service Fund
<b>LIABILITIES</b>		
Accounts Payable	\$ 134,480	\$ 1,927
Accrued Interest Payable		
Due to Other Funds	750	48,592
Security Deposits	255,080	
Long-Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
<b>TOTAL LIABILITIES</b>	\$ 390,310	\$ 50,519
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property Taxes	\$ 39,362	\$ 27,808
<b>FUND BALANCES</b>		
Nonspendable:		
Prepaid Costs	\$ 13,084	\$
Operating Advances	13,113	
Restricted for Authorized Construction		
Restricted for Debt Service		275,000
Unassigned	2,663,983	
<b>TOTAL FUND BALANCES</b>	\$ 2,690,180	\$ 275,000
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	\$ 3,119,852	\$ 353,327
<b>NET POSITION</b>		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
<b>TOTAL NET POSITION</b>		

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
\$ 360,609	\$ 497,016	\$	\$ 497,016
		14,397	14,397
	49,342	(49,342)	
	255,080		255,080
		225,000	225,000
		5,243,554	5,243,554
<u>\$ 360,609</u>	<u>\$ 801,438</u>	<u>\$ 5,433,609</u>	<u>\$ 6,235,047</u>
<u>\$ - 0 -</u>	<u>\$ 67,170</u>	<u>\$ (67,170)</u>	<u>\$ - 0 -</u>
\$	\$ 13,084	\$ (13,084)	\$
	13,113	(13,113)	
882,699	882,699	(882,699)	
	275,000	(275,000)	
	2,663,983	(2,663,983)	
<u>\$ 882,699</u>	<u>\$ 3,847,879</u>	<u>\$ (3,847,879)</u>	<u>\$ - 0 -</u>
<u>\$ 1,243,308</u>	<u>\$ 4,716,487</u>		
		\$ 2,436,861	\$ 2,436,861
		299,854	299,854
		2,729,542	2,729,542
		<u>\$ 5,466,257</u>	<u>\$ 5,466,257</u>

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

**POST WOOD MUNICIPAL UTILITY DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**MARCH 31, 2025**

Total Fund Balances - Governmental Funds	\$	3,847,879
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		7,022,716
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Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2024 and prior tax levies became part of recognized revenue in the governmental activities of the District.		78,613
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Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year end consist of:

Accrued Interest Payable	\$ (14,397)	
Bonds Payable	<u>(5,468,554)</u>	<u>(5,482,951)</u>

Total Net Position - Governmental Activities	\$	<u>5,466,257</u>
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The accompanying notes to the financial statements are an integral part of this report.

**POST WOOD MUNICIPAL UTILITY DISTRICT**  
**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT**  
**OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED MARCH 31, 2025**

	General Fund	Debt Service Fund
<b>REVENUES</b>		
Property Taxes	\$ 591,727	\$ 390,760
Water Service	421,207	
Water Sales - Interconnect	12,114	
Wastewater Service	795,651	
Water Authority Fees	265,539	
Sales and Use Tax Revenues	64,318	
Penalty and Interest	82,553	12,979
Connection and Inspection Fees	32,969	
Investment and Miscellaneous Revenues	101,335	12,391
	<u>\$ 2,367,413</u>	<u>\$ 416,130</u>
<b>TOTAL REVENUES</b>		
<b>EXPENDITURES/EXPENSES</b>		
Service Operations:		
Professional Fees	\$ 149,297	\$ 4,989
Contracted Services	493,777	31,511
Wastewater Service	216,734	
Utilities	53,465	
Water Authority Assessments	230,022	
Repairs and Maintenance	314,351	
Depreciation		
Other	182,678	7,456
Capital Outlay	169,565	
Debt Service:		
Bond Principal		185,000
Bond Interest		177,563
	<u>\$ 1,809,889</u>	<u>\$ 406,519</u>
<b>TOTAL EXPENDITURES/EXPENSES</b>		
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES</b>	<u>\$ 557,524</u>	<u>\$ 9,611</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In (Out)	<u>\$ (21,108)</u>	<u>\$ -0-</u>
<b>NET CHANGE IN FUND BALANCES</b>	\$ 536,416	\$ 9,611
<b>CHANGE IN NET POSITION</b>		
<b>FUND BALANCES/NET POSITION - APRIL 1, 2024</b>	<u>2,153,764</u>	<u>265,389</u>
<b>FUND BALANCES/NET POSITION - MARCH 31, 2025</b>	<u><u>\$ 2,690,180</u></u>	<u><u>\$ 275,000</u></u>

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

<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
\$	\$ 982,487	\$ 11,647	\$ 994,134
	421,207		421,207
	12,114		12,114
	795,651		795,651
	265,539		265,539
	64,318		64,318
	95,532	1,807	97,339
	32,969		32,969
<u>70,174</u>	<u>183,900</u>	<u></u>	<u>183,900</u>
\$ 70,174	\$ 2,853,717	\$ 13,454	\$ 2,867,171
\$	\$ 154,286	\$	\$ 154,286
	525,288		525,288
	216,734		216,734
	53,465		53,465
	230,022		230,022
	314,351		314,351
		298,867	298,867
49,350	239,484		239,484
811,553	981,118	(981,118)	
	185,000	(185,000)	
	<u>177,563</u>	<u>4,902</u>	<u>182,465</u>
\$ 860,903	\$ 3,077,311	\$ (862,349)	\$ 2,214,962
\$ (790,729)	\$ (223,594)	\$ 875,803	\$ 652,209
\$ 21,108	\$ -0-	\$ -0-	\$ -0-
\$ (769,621)	\$ (223,594)	\$ 223,594	\$
		652,209	652,209
<u>1,652,320</u>	<u>4,071,473</u>	<u>742,575</u>	<u>4,814,048</u>
\$ 882,699	\$ 3,847,879	\$ 1,618,378	\$ 5,466,257

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

**POST WOOD MUNICIPAL UTILITY DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MARCH 31, 2025**

Net Change in Fund Balances - Governmental Funds	\$	(223,594)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.		11,647
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Governmental funds report penalty and interest revenue on property taxes when collected. However, in the Statement of Activities, revenue is recorded when penalties and interest are assessed.		1,807
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Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.		(298,867)
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Governmental funds report capital outlay as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by new purchases and the Statement of Activities is not affected.		981,118
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Governmental funds report bond discounts as other financing uses in the year paid. However, in the Statement of Net Position, the bond discounts are amortized over the life of the bonds and the current year amortized portion is recorded in the Statement of Activities.		(5,302)
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Governmental funds report bond principal payments as expenditures. However, in the Statement of Net Position, bond principal payments are reported as decreases in long-term liabilities.		185,000
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Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end.		400
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Change in Net Position - Governmental Activities	\$	<u>652,209</u>
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The accompanying notes to the financial statements are an integral part of this report.

**POST WOOD MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2025**

**NOTE 1. CREATION OF DISTRICT**

Post Wood Municipal Utility District (the “District”) was created effective March 12, 1973, by an Order of the Texas Water Rights Commission, presently known as the Texas Commission on Environmental Quality (the “Commission”), and was confirmed at a confirmation election held on December 17, 1973. Pursuant to the provisions of Chapters 49 and 54 of the Texas Water Code, the District is empowered to purchase, operate and maintain all facilities, plants and improvements necessary to provide water, sanitary sewer service, storm sewer drainage, irrigation, solid waste collection and disposal, including recycling, and to construct parks and recreational facilities for the residents of the District. The District is also empowered to contract for or employ its own peace officers with powers to make arrests and to establish, operate and maintain a fire department to perform all fire-fighting activities within the District. The Board of Directors held its first meeting on May 2, 1973, and the first bonds were sold on July 31, 1974.

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (“GASB”). In addition, the accounting records of the District are maintained generally in accordance with the *Water District Financial Management Guide* published by the Commission.

The District is a political subdivision of the State of Texas governed by an elected board. GASB has established the criteria for determining whether an entity is a primary government or a component unit of a primary government. The primary criteria are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District’s financial statement as component units. The District has entered into water and wastewater agreements as described in Notes 8 and 9.

Financial Statement Presentation

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

**POST WOOD MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2025**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Financial Statement Presentation (Continued)

These classifications are defined as follows:

- Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- Restricted Net Position – This component of net position consists of external constraints placed on the use of net assets imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – This component of net position consists of net assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

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

Government-Wide Financial Statements

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

Fund Financial Statements

The District's fund financial statements are combined with the government-wide financial statements. The fund financial statements include a Governmental Funds Balance Sheet and a Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances.

**POST WOOD MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2025**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Governmental Funds

The District has three governmental funds and considers each to be a major fund.

General Fund - To account for resources not required to be accounted for in another fund, customer service revenues, operating costs and general expenditures.

Debt Service Fund - To account for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes.

Capital Projects Fund - To account financial resources restricted, committed or assigned for acquisition of facilities and related costs.

Basis of Accounting

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

Property taxes considered available by the District and included in revenue include taxes collected during the year and taxes collected after year-end, which were considered available to defray the expenditures of the current year. Deferred inflows of resources related to property tax revenues are those taxes which the District does not reasonably expect to be collected soon enough in the subsequent period to finance current expenditures.

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis.

As of March 31, 2025, the Debt Service Fund owed the General Fund \$48,592 for maintenance tax collections and the General Fund owed the Debt Service Fund \$750 for paying agent fees and arbitrage costs.

**POST WOOD MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2025**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their acquisition value on the date donated. Repairs and maintenance are recorded as expenditures in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset. Engineering fees and certain other costs are capitalized as part of the asset.

Individual tangible capital items, including infrastructure assets, are capitalized if they have an original cost of \$5,000 or more and a useful life over two years. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation over periods ranging from 10 to 45 years.

Budgeting

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

Pensions

The District has not established a pension plan as the District does not have employees. The Internal Revenue Service has determined that fees of office received by Directors are wages subject to federal income tax withholding for payroll purposes only.

Measurement Focus

Measurement focus is a term used to describe which transactions are recognized within the various financial statements. In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities associated with the activities are reported. Fund equity is classified as net position.

**POST WOOD MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2025**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Measurement Focus (Continued)

Governmental fund types are accounted for on a spending or financial flow measurement focus. Accordingly, only current assets and current liabilities are included on the Balance Sheet, and the reported fund balances provide an indication of available spendable or appropriable resources. Operating statements of governmental fund types report increases and decreases in available spendable resources.

Fund balances in governmental funds are classified using the following hierarchy:

*Nonspendable*: amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

*Restricted*: amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally.

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

*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. The District does not have any assigned fund balances.

*Unassigned*: all other spendable amounts in the General Fund.

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

Accounting Estimates

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

**POST WOOD MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2025**

**NOTE 3. LONG-TERM DEBT**

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

	April 1, 2024	Additions	Retirements	March 31, 2025
Bonds Payable	\$ 5,745,000	\$	\$ 185,000	\$ 5,560,000
Unamortized Discounts	(96,748)	—	(5,302)	(91,446)
Bonds payable, Net	<u>\$ 5,648,252</u>	<u>\$ -0-</u>	<u>\$ 179,698</u>	<u>\$ 5,468,554</u>
		Amount Due Within One Year		\$ 225,000
		Amount Due After One Year		<u>5,243,554</u>
		Bonds Payable, Net		<u>\$ 5,468,554</u>

	<u>Series 2014</u>	<u>Series 2019</u>
Amount Outstanding – March 31, 2025	\$ 2,420,000	\$ 3,140,000
Interest Rates	3.00% - 3.75%	2.00% - 3.00%
Maturity Dates – Serially Beginning/Ending	March 1, 2026/2039	March 1, 2026/2047
Interest Payment Dates	September 1/ March 1	September 1/ March 1
Callable Date	March 1, 2022*	March 1, 2025*

\* On any date thereafter, at a price equal to the par value plus accrued interest from the most recent interest payment date to the date fixed for redemption. The Series 2014 term bonds maturing on March 1, 2026, 2028, 2030, 2032, 2034 and 2036 are subject to mandatory redemption beginning March 1, 2025, 2027, 2029, 2031, 2033 and 2035, respectively. The Series 2019 term bonds maturing on March 1, 2030, 2032, 2034, 2036, 2038 and 2047 are subject to mandatory redemption beginning March 1, 2029, 2031, 2033, 2035, 2037 and 2042, respectively.

The bonds are payable from the proceeds of an ad valorem tax levied upon all property subject to taxation within the District, without limitation as to rate or amount and the Series 2014 bonds are further payable from the net revenues of the District's water and sewer system. As of March 31, 2025, the District had authorized but unissued bonds as follows: \$1,790,000 of unlimited tax and revenue bonds; \$6,585,000 of unlimited tax bonds; and \$10,100,000 of refunding bonds.

**POST WOOD MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2025**

**NOTE 3. LONG-TERM DEBT (Continued)**

As of March 31, 2025, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2026	\$ 225,000	\$ 172,762	\$ 397,762
2027	225,000	167,012	392,012
2028	225,000	161,262	386,262
2029	250,000	155,262	405,262
2030	250,000	148,262	398,262
2031-2035	1,450,000	619,312	2,069,312
2036-2040	1,645,000	348,062	1,993,062
2041-2045	890,000	141,000	1,031,000
2046-2047	400,000	18,000	418,000
	<u>\$ 5,560,000</u>	<u>\$ 1,930,934</u>	<u>\$ 7,490,934</u>

During the year ended March 31, 2025, the District levied an ad valorem debt service tax rate of \$0.165 per \$100 of assessed valuation, which resulted in a tax levy of \$397,218 on the adjusted taxable valuation of \$240,738,135 for the 2024 tax year. The bond orders require the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. See Note 7 for the maintenance tax levy.

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

**NOTE 4. SIGNIFICANT BOND ORDER AND LEGAL REQUIREMENTS**

The Bond Orders state the District is required by the Securities and Exchange Commission to provide continuing disclosure of certain general financial information and operating data to certain information repositories. This information is to be provided within six months after the end of each fiscal year and shall continue to be provided through the life of the bonds.

The District has covenanted that it will take all necessary steps to comply with the requirement that rebatable arbitrage earnings on the investment of the gross debt proceeds, within the meaning of section 148(f) of the Internal Revenue Code, be rebated to the federal government. The minimum requirement for determination of the rebatable amount is on each five-year anniversary of the issuance of the bonds.

**POST WOOD MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2025**

**NOTE 5. DEPOSITS AND INVESTMENTS**

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District’s deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes. Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District’s deposits was \$1,505,895 and the bank balance was \$1,619,532. Of the bank balance, \$1,273,081 was covered by federal depository insurance and the remaining bank balance was covered by pledged collateral held by a third party in the District’s name. The District was not exposed to custodial credit risk at year-end. The carrying values of the deposits at year end are listed below:

	Cash	Certificates of Deposit	Total
GENERAL FUND	\$ 182,033	\$ 951,431	\$ 1,133,464
DEBT SERVICE FUND	70,940		70,940
CAPITAL PROJECTS FUND	301,491		301,491
TOTAL DEPOSITS	\$ 554,464	\$ 951,431	\$ 1,505,895

Investments

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

**POST WOOD MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2025**

**NOTE 5. DEPOSITS AND INVESTMENTS (Continued)**

Investments (Continued)

The District has adopted a written investment policy which is reviewed annually and may be more restrictive than the Public Funds Investment Act.

The District invests in TexPool, an external investment pool that is not SEC-registered. The Texas State Comptroller of Public Accounts has oversight of the pool. Federated Hermes, Inc. manages the daily operations of the pool under a contract with the Comptroller. TexPool measures all of its portfolio assets at amortized cost, as does the District for financial reporting purposes. There are no limitations or restrictions on withdrawals from TexPool.

The District invests in the Texas Short Term Asset Reserve Program (“TexSTAR”), an external public funds investment pool that is not SEC-registered. J. P. Morgan Investment Management Inc. and related entities provide investment management, custodial, fund accounting and depository services and Hilltop Securities Inc., provides participant services. Investments held by TexSTAR are marked-to-market daily. The investments are considered to be Level I investments because their fair value is measured by quoted prices in active markets. The fair value of the District’s position in the pool is the same as the value of the pool shares. There are no limitations or restrictions on withdrawals from TexSTAR.

The District records certificates of deposit at acquisition cost.

As of March 31, 2025, the District had the following investments and maturities:

<u>Funds and Investment Type</u>	<u>Fair Value</u>	<u>Maturities of Less Than 1 Year</u>
<u>GENERAL FUND</u>		
TexPool	\$ 1,274,008	\$ 1,274,008
TexSTAR	442,459	442,459
Certificates of Deposit	951,431	951,431
<u>DEBT SERVICE FUND</u>		
TexSTAR	253,829	253,829
<u>CAPITAL PROJECTS FUND</u>		
TexPool	941,817	941,817
<b>TOTAL INVESTMENTS</b>	<b>\$ 3,863,544</b>	<b>\$ 3,863,544</b>

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The District’s investments in TexPool and TexSTAR are rated AAAM by Standard and Poor’s and the investments in certificates of deposit are covered by FDIC insurance.

**POST WOOD MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2025**

**NOTE 5. DEPOSITS AND INVESTMENTS (Continued)**

Investments (Continued)

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investments in TexPool and TexSTAR to have maturities of less than one year since the share positions can usually be redeemed each day at the discretion of the District unless there have been significant changes in values. The District also manages interest rate risk by investing in certificates of deposit with maturities of less than one year.

Restrictions - All cash and investments of the Debt Service Fund are restricted for the payment of debt service and the cost of assessing and collecting taxes. All cash and investments of the Capital Projects Fund are restricted for the purchase of capital assets.

**NOTE 6. CAPITAL ASSETS**

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

	April 1, 2024	Increases	Decreases	March 31, 2025
<b>Capital Assets Not Being Depreciated</b>				
Land and Land Improvements	\$ 56,209	\$	\$	\$ 56,209
Construction in Progress	99,105	981,118		1,080,223
<b>Total Capital Assets Not Being Depreciated</b>	<b>\$ 155,314</b>	<b>\$ 981,118</b>	<b>\$ - 0 -</b>	<b>\$ 1,136,432</b>
<b>Capital Assets Subject to Depreciation</b>				
Buildings and Improvements	\$ 415,975	\$	\$	\$ 415,975
Water System	3,702,886			3,702,886
Wastewater System	8,408,330			8,408,330
<b>Total Capital Assets Subject to Depreciation</b>	<b>\$ 12,527,191</b>	<b>\$ - 0 -</b>	<b>\$ - 0 -</b>	<b>\$ 12,527,191</b>
<b>Accumulated Depreciation</b>				
Buildings and Improvements	\$ 228,587	\$ 10,702	\$	\$ 239,289
Water System	2,712,897	86,084		2,798,981
Wastewater System	3,400,556	202,081		3,602,637
<b>Total Accumulated Depreciation</b>	<b>\$ 6,342,040</b>	<b>\$ 298,867</b>	<b>\$ - 0 -</b>	<b>\$ 6,640,907</b>
<b>Total Depreciable Capital Assets, Net of Accumulated Depreciation</b>	<b>\$ 6,185,151</b>	<b>\$ (298,867)</b>	<b>\$ - 0 -</b>	<b>\$ 5,886,284</b>
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<b>\$ 6,340,465</b>	<b>\$ 682,251</b>	<b>\$ - 0 -</b>	<b>\$ 7,022,716</b>

**POST WOOD MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2025**

**NOTE 7. MAINTENANCE TAX**

On May 7, 2016, the District held an election whereby voters approved the levy of a maintenance tax rate not to exceed \$0.50 per \$100 of assessed valuation to be used to pay for any maintenance or operations expenses incurred by the District. At an election held on May 15, 2004, residents of the District voted to have up to \$0.10 per \$100 of the maintenance tax levy allocated for park and recreational facilities. During the year ended March 31, 2025, the District levied an ad valorem maintenance tax rate of \$0.25 per \$100 of assessed valuation, which resulted in a tax levy of \$601,845 on the adjusted taxable valuation of \$240,738,135 for the 2024 tax year.

**NOTE 8. WASTEWATER TREATMENT FACILITY JOINT VENTURE**

On December 19, 1973, the District entered into an agreement with several other districts to jointly own and operate a sewage treatment and disposal facility to serve each district's respective customers. On April 22, 1991, the participants established a "Joint Powers Board" to oversee the operation of the Sewage Treatment Plant. The Joint Powers Board is governed by five Board Members, consisting of one Director or representative from each participant. The agreement was amended on November 4, 2003, to revise the list of participants. The agreement was amended on May 17, 2007, to change the method used to determine the number of equivalent single-family connections. The agreement was amended on August 18, 2011, to redefine certain terms and the responsibility of joint repair projects. This agreement will continue in force and effect until terminated by mutual agreement of the parties.

Each participant is billed monthly for its share of the operating costs. Certain operating costs are designated to be shared based on the respective pro-rata share of capacity, and other operating costs are shared based on the number of equivalent single-family residential connections being billed by each participant. During the current year, the District recorded \$216,734 as its share of operating costs and maintained an operating reserve of \$13,113.

The participating entities and respective pro rata shares of capacity in the Treschwig Sewage Treatment Plant are:

Participant	Percent
Tattor Road Municipal District	29.43%
Post Wood Municipal Utility District	21.15
Harris County Water Control and Improvement District No. 136	21.39
Harris County Municipal Utility District No. 43	25.75
Aldine Independent School District	<u>2.28</u>
<b>TOTAL</b>	<b><u>100.00%</u></b>

**POST WOOD MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2025**

**NOTE 8. WASTEWATER TREATMENT FACILITY JOINT VENTURE**  
(Continued)

The following summary financial data of the Treschwig Sewage Treatment Plant is presented for the fiscal year ended March 31, 2025. Additional financial information can be obtained by contacting the Plant’s attorneys, Young & Brooks.

Total Assets	\$ 125,917
Total Liabilities	<u>63,717</u>
Net Position	<u>\$ 62,200</u>
Total Operating and Non-operating Revenues	\$ 1,015,290
Total Operating Expenses	<u>1,015,290</u>
Change in Net Position	\$ -0-
Net Position – April 1, 2024	<u>62,000</u>
Net Position – March 31, 2025	<u>\$ 62,000</u>

**NOTE 9. CONTRACTS WITH TATTOR ROAD MUNICIPAL DISTRICT**

Emergency Water Supply Contract

On April 10, 1986, the District and Tattor Road Municipal District (Tattor Road) executed an emergency water supply contract with each other. This contract superceded the Joint Facilities Contract which was previously executed on October 8, 1975. On August 13, 1998, the districts amended the April 10, 1986, agreement.

On September 13, 2018 the District and Tattor Road executed an Amended and Restated Emergency Water Supply Contract. The contract provides for emergency and non-emergency service to be provided by the districts. The price to be paid for water during an emergency is \$1.00 per 1,000 gallons of water provided, which is calculated in accordance with the Interconnect Use Protocol, as defined in the contract. When water is provided for a period beyond a temporary period or during a non-emergency situation, the cost is \$1.25 per 1,000 gallons of water provided. If the supplying district has converted to surface water, the price per thousand gallons will be the actual cost to the supplying party to purchase surface water. If the supplying district has not converted to surface water, the price per thousand gallons will be increased by the fee imposed on the supplying party by such regional water authority or other entity. The contract shall remain in force and effect for 50 years from the date of its execution.

**POST WOOD MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2025**

**NOTE 9.      CONTRACTS WITH TATTOR ROAD MUNICIPAL DISTRICT**  
(Continued)

Sewage Flow-Through and Force Main Agreements

On December 12, 1973, the District executed an agreement with Tattor Road to provide for the construction of an 18-inch force main to take sewage from both districts to the regional wastewater treatment plant. The agreement provided for the District to fund 35% of the cost of the line. In addition, the District has assumed 35% of the maintenance costs of the line. This agreement has no expiration date.

On December 23, 1976, the District and Tattor Road executed an agreement providing for the District to connect a sanitary sewer line from Section 4 to a sanitary sewer line owned by Tattor Road and Tattor Road agreed to receive the sewage and transport the sewage through its sanitary sewer system, lift station and 14-inch force main. The District made a \$28,287 contribution which gave the District a 13% ownership in the lift station and 14-inch force main. The District further agreed to fund 13% of all operating and maintenance cost of the facilities. On December 15, 2011, the District approved the First Amendment to this agreement to extend the term to December 31, 2051.

**NOTE 10.     NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY**

The District is located within the boundaries of the North Harris County Regional Water Authority (the “Authority”). The Authority was created under Article 16, Section 59 of the Texas Constitution by House Bill 2965 (the “Act”), as passed by the 75<sup>th</sup> Texas Legislature, in 1999. The Act empowers the Authority to provide for the conservation, preservation, protection, recharge and prevention of waste of groundwater, and for the reduction of groundwater withdrawals. The Authority charges a fee, based on the amount of water pumped from a well, to the owners of wells located within the boundaries of the Authority, unless exempted. The fee as of year-end was \$2.60 per 1,000 gallons of water pumped from each well. The District recorded expenditures of \$230,022 for fees assessed during the current fiscal year.

**NOTE 11.     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 natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

**POST WOOD MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2025**

**NOTE 12. STRATEGIC PARTNERSHIP AGREEMENT**

Effective July 11, 2006, the District entered into a Strategic Partnership Agreement with the City of Houston, Texas (the “City”). The agreement provides that in accordance with Chapter 43 of the Local Government Code, the City shall annex a tract of land defined as the “Tract” for limited purposes as outlined in the agreement. The District will continue to develop, to own, and to operate and maintain a water and wastewater system in the District. The City imposes a Sales and Use Tax within the boundaries of the Tract at the rate of one percent or the rate specified under the future amendments to Chapter 321 of the Tax Code. The City pays the District one-half of all Sales and Use Tax revenues generated within the boundaries of the Tract. The City agrees that it will not annex the District for full purposes or commence any action to annex the District for full purposes during the term of this Agreement. The term of this Agreement is 30 years from the effective date of the agreement. During the current fiscal year, the District received \$64,318 in accordance with this agreement, of which \$8,459 was recorded as receivable at March 31, 2025.

**NOTE 13. EMERGENCY INTERCONNECT AGREEMENT**

On December 17, 2009, the District executed an emergency interconnect agreement with Tattor Road and Harris County Municipal Utility District No. 82 (District No. 82) to provide for the construction of an interconnect water line from within District No. 82 to the District’s boundary, along with the meter and meter vault, if required by the City of Houston, and connection and flushing valves located on either side of the point of connection. This agreement was amended on August 24, 2020. The purpose of the interconnect line is to provide water to the District and Tattor Road on an emergency basis. The agreement provided that the District split the costs of the Post Wood portion of the line on a 50/50 basis with Tattor Road. The District, Tattor Road and District No. 82 shared one-third each of costs relating to the meter.

**NOTE 14. ELECTRICITY SERVICES**

Effective July 11, 2017, the District entered into a Retail Electricity Services Annex agreement with the Texas General Land Office (“Texas GLO”). The Texas GLO State Power Program is marketed and supplied by Cavallo Energy Texas LLC (“Cavallo”). The term of the agreement commenced on July 1, 2019 and expired on the first meter read date after June 3, 2024 for each delivery point. The contract price was \$0.04812 per kWh plus transmission and distribution service provider charges and additional charges per the agreement.

**POST WOOD MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2025**

**NOTE 14. ELECTRICITY SERVICES (Continued)**

Effective December 17, 2019, the District entered into an Electric Energy Sales Agreement with Reliant Energy Retail Services, LLC (“Reliant”), as part of an electricity service aggregation coordinated by Acclaim Energy (“Acclaim Group”). The District and other participants in the Acclaim Group are each entering into individual agreements with Reliant for providing energy. The delivery term related to this agreement commenced July 1, 2024 and is scheduled to end on April 30, 2029. The contract price is \$0.03819 per kWh, transmission and distribution service provider charges and additional charges per this agreement.

**POST WOOD MUNICIPAL UTILITY DISTRICT**

**SUPPLEMENTARY INFORMATION**

**MARCH 31, 2025**

**POST WOOD MUNICIPAL UTILITY DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED MARCH 31, 2025**

	Original and Final Budget	Actual	Variance Positive (Negative)
	<u>          </u>	<u>          </u>	<u>          </u>
<b>REVENUES</b>			
Property Taxes	\$ 482,000	\$ 591,727	\$ 109,727
Water Service	457,000	433,321	(23,679)
Wastewater Service	723,000	795,651	72,651
Water Authority Fees	394,706	265,539	(129,167)
Sales and Use Tax Revenues	66,750	64,318	(2,432)
Penalty and Interest	85,250	82,553	(2,697)
Investment and Miscellaneous Revenues	<u>66,850</u>	<u>134,304</u>	<u>67,454</u>
<b>TOTAL REVENUES</b>	<u>\$ 2,275,556</u>	<u>\$ 2,367,413</u>	<u>\$ 91,857</u>
<b>EXPENDITURES</b>			
Service Operations:			
Professional Fees	\$ 184,000	\$ 149,297	\$ 34,703
Contracted Services	493,912	493,777	135
Purchased Wastewater Service	197,250	216,734	(19,484)
Utilities	61,950	53,465	8,485
Water Authority Assessments	377,285	230,022	147,263
Repairs, Maintenance, Capital Outlay	625,423	483,916	141,507
Other	<u>232,659</u>	<u>182,678</u>	<u>49,981</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 2,172,479</u>	<u>\$ 1,809,889</u>	<u>\$ 362,590</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>\$ 103,077</u>	<u>\$ 557,524</u>	<u>\$ 454,447</u>
<b>OTHER FINANCING USES</b>			
Transfers Out	<u>\$ -0-</u>	<u>\$ (21,108)</u>	<u>\$ (21,108)</u>
<b>NET CHANGE IN FUND BALANCE</b>	\$ 103,077	\$ 536,416	\$ 433,339
<b>FUND BALANCE - APRIL 1, 2024</b>	<u>2,153,764</u>	<u>2,153,764</u>	<u>          </u>
<b>FUND BALANCE - MARCH 31, 2025</b>	<u>\$ 2,256,841</u>	<u>\$ 2,690,180</u>	<u>\$ 433,339</u>

See accompanying independent auditor's report.

**POST WOOD MUNICIPAL UTILITY DISTRICT**

**SUPPLEMENTARY INFORMATION – REQUIRED BY THE**

**WATER DISTRICT FINANCIAL MANAGEMENT GUIDE**

**MARCH 31, 2025**

**POST WOOD MUNICIPAL UTILITY DISTRICT  
SERVICES AND RATES  
FOR THE YEAR ENDED MARCH 31, 2025**

**1. SERVICES PROVIDED BY THE DISTRICT DURING THE CURRENT YEAR:**

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

**2. RETAIL SERVICE PROVIDERS**

**a. RETAIL RATES FOR A 5/8" METER (OR EQUIVALENT):**

The following rates are based on the rate order approved March 25, 2024.

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate Y/N</u>	<u>Rate per 1,000 Gallons over Minimum Use</u>	<u>Usage Levels</u>
WATER:	\$ 20.00	1,000	N	\$ 1.60 \$ 2.10 \$ 2.60 \$ 3.50 \$ 4.50	1,001 to 8,000 8,001 to 13,000 13,001 to 18,000 18,001 to 23,000 23,001 and up
WASTEWATER:	\$ 55.00 (Includes solid waste disposal)		Y		
SURCHARGE:					
Commission	0.5% of				
Regulatory Assessments	water and sewer billing				
Regional Water Authority Fees				\$ 2.99	0,001 and up

District employs winter averaging for wastewater usage? 

_____	_____
Yes	X No

Total monthly charges per 10,000 gallons usage: Water: \$35.40 Wastewater: \$55.00 Surcharge: \$30.35

See accompanying independent auditor's report.

**POST WOOD MUNICIPAL UTILITY DISTRICT  
SERVICES AND RATES  
FOR THE YEAR ENDED MARCH 31, 2025**

**2. RETAIL SERVICE PROVIDERS (Continued)**

**b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)**

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFCs</u>
Unmetered	<u>1</u>	<u>1</u>	x 1.0	<u>1</u>
≤ <sup>3</sup> / <sub>4</sub> "	<u>1,244</u>	<u>1,206</u>	x 1.0	<u>1,206</u>
1"	<u>11</u>	<u>10</u>	x 2.5	<u>25</u>
1½"	<u>          </u>	<u>          </u>	x 5.0	<u>          </u>
2"	<u>7</u>	<u>7</u>	x 8.0	<u>56</u>
3"	<u>          </u>	<u>          </u>	x 15.0	<u>          </u>
4"	<u>1</u>	<u>1</u>	x 25.0	<u>25</u>
6"	<u>2</u>	<u>2</u>	x 50.0	<u>100</u>
8"	<u>          </u>	<u>          </u>	x 80.0	<u>          </u>
10"	<u>          </u>	<u>          </u>	x 115.0	<u>          </u>
Total Water Connections	<u><u>1,266</u></u>	<u><u>1,227</u></u>		<u><u>1,413</u></u>
Total Wastewater Connections	<u><u>1,245</u></u>	<u><u>1,206</u></u>	x 1.0	<u><u>1,206</u></u>

**3. TOTAL WATER CONSUMPTION DURING THE FISCAL YEAR ROUNDED TO THE NEAREST THOUSAND: (Unaudited)**

Gallons pumped into system:	88,331,000	Water Accountability Ratio: 95.7% (Gallons billed and sold/Gallons pumped)
Gallons billed to customers:	74,815,000	
Total gallons sold:	9,691,000	Tattor Road Municipal District

See accompanying independent auditor's report.

**POST WOOD MUNICIPAL UTILITY DISTRICT  
SERVICES AND RATES  
FOR THE YEAR ENDED MARCH 31, 2025**

**4. STANDBY FEES** (authorized only under TWC Section 49.231):

Does the District have Debt Service standby fees? Yes  No

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

**5. LOCATION OF DISTRICT:**

Is the District located entirely within one county?

Yes  No

County in which District is located:

Harris County, Texas

Is the District located within a city?

Entirely  Partly  Not at all

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

Entirely  Partly  Not at all

ETJ in which District is located:

City of Houston, Texas

Are Board Members appointed by an office outside the District?

Yes  No

See accompanying independent auditor's report.

**POST WOOD MUNICIPAL UTILITY DISTRICT**  
**GENERAL FUND EXPENDITURES**  
**FOR THE YEAR ENDED MARCH 31, 2025**

PROFESSIONAL FEES:	
Auditing	\$ 17,500
Engineering	42,067
Legal	88,785
Financial Advisor	<u>945</u>
TOTAL PROFESSIONAL FEES	<u>\$ 149,297</u>
PURCHASED WASTEWATER SERVICE	<u>\$ 216,734</u>
CONTRACTED SERVICES:	
Bookkeeping	\$ 37,025
Operations and Billing	79,433
Security	83,343
Solid Waste Disposal	<u>293,976</u>
TOTAL CONTRACTED SERVICES	<u>\$ 493,777</u>
UTILITIES	<u>\$ 53,465</u>
REPAIRS AND MAINTENANCE	<u>\$ 314,351</u>
ADMINISTRATIVE EXPENDITURES:	
Director Fees, Including Payroll Taxes	\$ 36,072
Insurance	22,977
Office Supplies and Postage	69,292
Meetings, Travel and Other	<u>9,988</u>
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 138,329</u>
CAPITAL OUTLAY	<u>\$ 169,565</u>
OTHER EXPENDITURES:	
Chemicals	\$ 9,317
Laboratory Fees	3,065
Permit Fees	3,060
Inspection and Reconnection Fees	16,762
Water Authority Assessments	230,022
Regulatory Assessment	1,055
Sludge Hauling	<u>11,090</u>
TOTAL OTHER EXPENDITURES	<u>\$ 274,371</u>
TOTAL EXPENDITURES	<u><u>\$ 1,809,889</u></u>

**POST WOOD MUNICIPAL UTILITY DISTRICT**  
**INVESTMENTS**  
**MARCH 31, 2025**

<u>Funds</u>	<u>Identification or Certificate Number</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at End of Year</u>	<u>Accrued Interest Receivable at End of Year</u>
<b><u>GENERAL FUND</u></b>					
TexPool	XXXX0002	Varies	Daily	\$ 353,369	\$
TexPool	XXXX0006	Varies	Daily	920,639	
TexSTAR	XXXX2220	Varies	Daily	442,459	
Certificate of Deposit	XXXX8871	5.500%	06/12/25	235,000	10,340
Certificate of Deposit	XXXX7574	5.000%	09/18/25	241,431	3,407
Certificate of Deposit	XXXX9584	4.500%	03/12/26	235,000	550
Certificate of Deposit	XXXX5950	4.35%	03/10/26	240,000	601
TOTAL GENERAL FUND				<u>\$ 2,667,898</u>	<u>\$ 14,898</u>
<b><u>DEBT SERVICE FUND</u></b>					
TexSTAR	XXXX3331	Varies	Daily	<u>\$ 253,829</u>	<u>\$ - 0 -</u>
<b><u>CAPITAL PROJECTS FUND</u></b>					
TexPool	XXXX0001	Varies	Daily	<u>\$ 941,817</u>	<u>\$ - 0 -</u>
TOTAL - ALL FUNDS				<u>\$ 3,863,544</u>	<u>\$ 14,898</u>

**POST WOOD MUNICIPAL UTILITY DISTRICT**  
**TAXES LEVIED AND RECEIVABLE**  
**FOR THE YEAR ENDED MARCH 31, 2025**

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE -				
APRIL 1, 2024	\$	31,631		\$ 23,892
Adjustments to Beginning				
Balance		<u>(2,387)</u>	\$ 29,244	<u>(2,542)</u> \$ 21,350
Original 2024 Tax Levy	\$	538,552		\$ 355,444
Adjustment to 2024 Tax Levy		<u>63,293</u>	<u>601,845</u>	<u>41,774</u> <u>397,218</u>
TOTAL TO BE				
ACCOUNTED FOR		\$ 631,089		\$ 418,568
TAX COLLECTIONS:				
Prior Years	\$	20,593		\$ 13,811
Current Year		<u>571,134</u>	<u>591,727</u>	<u>376,949</u> <u>390,760</u>
TAXES RECEIVABLE -				
MARCH 31, 2025		<u>\$ 39,362</u>		<u>\$ 27,808</u>
TAXES RECEIVABLE BY				
YEAR:				
2024		\$ 30,711		\$ 20,269
2023		3,174		2,247
2022		1,543		1,415
2021		784		896
2020		894		622
2019 and prior		<u>2,256</u>		<u>2,359</u>
TOTAL		<u>\$ 39,362</u>		<u>\$ 27,808</u>

**POST WOOD MUNICIPAL UTILITY DISTRICT**  
**TAXES LEVIED AND RECEIVABLE**  
**FOR THE YEAR ENDED MARCH 31, 2025**

	2025	2024	2023	2022
<b>PROPERTY VALUATIONS:</b>				
Land	\$ 63,931,334	\$ 63,749,483	\$ 51,197,487	\$ 25,704,713
Improvements	198,258,184	189,682,309	171,908,083	165,903,298
Personal Property	7,676,275	8,856,619	6,276,274	5,119,045
Exemptions	<u>(29,127,658)</u>	<u>(27,313,570)</u>	<u>(23,764,973)</u>	<u>(23,381,915)</u>
<b>TOTAL PROPERTY VALUATIONS</b>	<b><u>\$ 240,738,135</u></b>	<b><u>\$ 234,974,841</u></b>	<b><u>\$ 205,616,871</u></b>	<b><u>\$ 173,345,141</u></b>
<b>TAX RATES PER \$100 VALUATION:</b>				
Debt Service	\$ 0.165	\$ 0.177	\$ 0.210	\$ 0.24
Maintenance	<u>0.250</u>	<u>0.250</u>	<u>0.229</u>	<u>0.21</u>
<b>TOTAL TAX RATES PER \$100 VALUATION</b>	<b><u>\$ 0.415</u></b>	<b><u>\$ 0.427</u></b>	<b><u>\$ 0.439</u></b>	<b><u>\$ 0.45</u></b>
<b>ADJUSTED TAX LEVY*</b>	<b><u>\$ 999,063</u></b>	<b><u>\$ 1,003,342</u></b>	<b><u>\$ 902,658</u></b>	<b><u>\$ 780,053</u></b>
<b>PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED</b>				
	<u>94.90 %</u>	<u>99.46 %</u>	<u>99.67 %</u>	<u>99.78 %</u>

\* Based upon the adjusted tax levy at the time of the audit for the fiscal year in which the tax was levied.

On May 7, 2016, the District held an election whereby voters approved the levy of a maintenance tax rate not to exceed \$0.50 per \$100 of assessed valuation. At an election held on May 15, 2004, residents of the District voted to have up to \$0.10 per \$100 of the maintenance tax levy allocated for park and recreational facilities.

**POST WOOD MUNICIPAL UTILITY DISTRICT**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**MARCH 31, 2025**

S E R I E S - 2 0 1 4

Due During Fiscal Years Ending March 31	Principal Due March 1	Interest Due September 1/ March 1	Total
2026	\$ 125,000	\$ 82,312	\$ 207,312
2027	125,000	78,562	203,562
2028	125,000	74,812	199,812
2029	150,000	71,062	221,062
2030	150,000	66,562	216,562
2031	150,000	62,062	212,062
2032	150,000	57,188	207,188
2033	175,000	52,312	227,312
2034	175,000	46,188	221,188
2035	200,000	40,062	240,062
2036	200,000	33,062	233,062
2037	200,000	26,062	226,062
2038	245,000	18,562	263,562
2039	250,000	9,376	259,376
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
	<u>\$ 2,420,000</u>	<u>\$ 718,184</u>	<u>\$ 3,138,184</u>

**POST WOOD MUNICIPAL UTILITY DISTRICT**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**MARCH 31, 2025**

S E R I E S - 2 0 1 9

Due During Fiscal Years Ending March 31	Principal Due March 1	Interest Due September 1/ March 1	Total
2026	\$ 100,000	\$ 90,450	\$ 190,450
2027	100,000	88,450	188,450
2028	100,000	86,450	186,450
2029	100,000	84,200	184,200
2030	100,000	81,700	181,700
2031	100,000	79,200	179,200
2032	125,000	76,200	201,200
2033	125,000	72,450	197,450
2034	125,000	68,700	193,700
2035	125,000	64,950	189,950
2036	150,000	61,200	211,200
2037	150,000	56,700	206,700
2038	150,000	52,200	202,200
2039	150,000	47,700	197,700
2040	150,000	43,200	193,200
2041	175,000	38,700	213,700
2042	175,000	33,450	208,450
2043	175,000	28,200	203,200
2044	175,000	22,950	197,950
2045	190,000	17,700	207,700
2046	200,000	12,000	212,000
2047	200,000	6,000	206,000
	<u>\$ 3,140,000</u>	<u>\$ 1,212,750</u>	<u>\$ 4,352,750</u>

**POST WOOD MUNICIPAL UTILITY DISTRICT**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**MARCH 31, 2025**

ANNUAL REQUIREMENTS  
FOR ALL SERIES

Due During Fiscal Years Ending March 31	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2026	\$ 225,000	\$ 172,762	\$ 397,762
2027	225,000	167,012	392,012
2028	225,000	161,262	386,262
2029	250,000	155,262	405,262
2030	250,000	148,262	398,262
2031	250,000	141,262	391,262
2032	275,000	133,388	408,388
2033	300,000	124,762	424,762
2034	300,000	114,888	414,888
2035	325,000	105,012	430,012
2036	350,000	94,262	444,262
2037	350,000	82,762	432,762
2038	395,000	70,762	465,762
2039	400,000	57,076	457,076
2040	150,000	43,200	193,200
2041	175,000	38,700	213,700
2042	175,000	33,450	208,450
2043	175,000	28,200	203,200
2044	175,000	22,950	197,950
2045	190,000	17,700	207,700
2046	200,000	12,000	212,000
2047	200,000	6,000	206,000
	<u>\$ 5,560,000</u>	<u>\$ 1,930,934</u>	<u>\$ 7,490,934</u>

**POST WOOD MUNICIPAL UTILITY DISTRICT**  
**CHANGES IN LONG-TERM BOND DEBT**  
**FOR THE YEAR ENDED MARCH 31, 2025**

Description	Original Bonds Issued	Bonds Outstanding March 31, 2024
Post Wood Municipal Utility District Waterworks and Sewer System Combination Unlimited Tax and Revenue Bonds - Series 2014	\$ 3,305,000	\$ 2,530,000
Post Wood Municipal Utility District Unlimited Tax Bonds - Series 2019	<u>3,515,000</u>	<u>3,215,000</u>
<b>TOTAL</b>	<u><b>\$ 6,820,000</b></u>	<u><b>\$ 5,745,000</b></u>

Bond Authority:	Unlimited Tax and Revenue Bonds	Unlimited Tax Bonds	Refunding Bonds
Amount Authorized by Voters	\$ 12,400,000	\$ 10,100,000	\$ 10,100,000
Amount Issued	<u>10,610,000</u>	<u>3,515,000</u>	<u>                    </u>
Remaining to be Issued	<u><u>\$ 1,790,000</u></u>	<u><u>\$ 6,585,000</u></u>	<u><u>\$ 10,100,000</u></u>

Debt Service Fund cash and investment balances as of March 31, 2025: \$ 324,769

Average annual debt service payment (principal and interest) for remaining term  
of all debt: \$ 340,497

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

<u>Current Year Transactions</u>				
<u>Bonds Sold</u>	<u>Retirements</u>		<u>Bonds Outstanding March 31, 2025</u>	<u>Paying Agent</u>
	<u>Principal</u>	<u>Interest</u>		
\$	\$ 110,000	\$ 85,613	\$ 2,420,000	Amegy Bank National Association
	75,000	91,950	3,140,000	The Bank of New York Mellon Trust Company, N.A. Dallas, Texas
<u>\$ - 0 -</u>	<u>\$ 185,000</u>	<u>\$ 177,563</u>	<u>\$ 5,560,000</u>	

**POST WOOD MUNICIPAL UTILITY DISTRICT**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES**  
**GENERAL FUND - FIVE YEARS**

	Amounts		
	2025	2024	2023
<b>REVENUES</b>			
Property Taxes	\$ 591,727	\$ 579,636	\$ 461,048
Water Service	421,207	389,313	366,184
Water Sales - Interconnect	12,114	44,887	
Wastewater Service	795,651	757,220	721,407
Water Authority Fees	265,539	482,412	395,005
Sales and Use Tax Revenues	64,318	75,396	75,332
Penalty and Interest	82,553	91,545	76,991
Investment and Miscellaneous Revenues	134,304	107,851	90,773
<b>TOTAL REVENUES</b>	<b>\$ 2,367,413</b>	<b>\$ 2,528,260</b>	<b>\$ 2,186,740</b>
<b>EXPENDITURES</b>			
Professional Fees	\$ 149,297	\$ 161,590	\$ 173,771
Contracted Services	493,777	467,737	458,551
Wastewater Service	216,734	230,127	212,711
Utilities	53,465	57,940	44,932
Water Authority Assessments	230,022	467,812	381,804
Repairs and Maintenance	314,351	456,962	292,452
Other	182,678	160,150	184,791
Capital Outlay	169,565	138,272	306,293
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,809,889</b>	<b>\$ 2,140,590</b>	<b>\$ 2,055,305</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>\$ 557,524</b>	<b>\$ 387,670</b>	<b>\$ 131,435</b>
<b>OTHER FINANCING USES</b>			
Transfers Out	\$ (21,108)	\$ - 0 -	\$ - 0 -
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 536,416</b>	<b>\$ 387,670</b>	<b>\$ 131,435</b>
<b>BEGINNING FUND BALANCE</b>	2,153,764	1,766,094	1,634,659
<b>ENDING FUND BALANCE</b>	<b>\$ 2,690,180</b>	<b>\$ 2,153,764</b>	<b>\$ 1,766,094</b>

		Percentage of Total Revenues				
2022	2021	2025	2024	2023	2022	2021
\$ 357,111	\$ 345,198	25.0 %	22.9 %	21.1 %	16.6 %	18.5 %
315,095	310,588	17.8	15.4	16.7	14.6	16.7
64,294		0.5	1.8		3.0	
614,889	616,840	33.6	29.9	33.0	28.4	33.1
628,236	377,886	11.2	19.1	18.1	29.0	20.3
72,148	67,687	2.7	3.0	3.4	3.3	3.6
65,568	49,400	3.5	3.6	3.5	3.0	2.7
45,266	94,889	5.7	4.3	4.2	2.1	5.1
<u>\$ 2,162,607</u>	<u>\$ 1,862,488</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 192,904	\$ 159,795	6.3 %	6.4 %	7.9 %	8.9 %	8.6 %
406,786	402,471	20.9	18.5	21.0	18.8	21.6
163,730	170,413	9.2	9.1	9.7	7.6	9.1
69,920	52,143	2.3	2.3	2.1	3.2	2.8
639,170	373,442	9.7	18.5	17.5	29.6	20.1
407,084	309,191	13.3	18.1	13.4	18.8	16.6
108,158	129,639	7.7	6.3	8.5	5.0	7.0
93,907	90,867	7.2	5.5	14.0	4.3	4.9
<u>\$ 2,081,659</u>	<u>\$ 1,687,961</u>	<u>76.6 %</u>	<u>84.7 %</u>	<u>94.1 %</u>	<u>96.2 %</u>	<u>90.7 %</u>
\$ 80,948	\$ 174,527	<u>23.4 %</u>	<u>15.3 %</u>	<u>5.9 %</u>	<u>3.8 %</u>	<u>9.3 %</u>
\$ (9,571)	\$ - 0 -					
\$ 71,377	\$ 174,527					
<u>1,563,282</u>	<u>1,388,755</u>					
<u>\$ 1,634,659</u>	<u>\$ 1,563,282</u>					

**POST WOOD MUNICIPAL UTILITY DISTRICT**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES**  
**DEBT SERVICE FUND - FIVE YEARS**

	Amounts		
	2025	2024	2023
<b>REVENUES</b>			
Property Taxes	\$ 390,760	\$ 414,185	\$ 424,974
Penalty and Interest	12,979	10,594	16,126
Investment and Miscellaneous Revenues	<u>12,391</u>	<u>10,852</u>	<u>4,531</u>
<b>TOTAL REVENUES</b>	<u>\$ 416,130</u>	<u>\$ 435,631</u>	<u>\$ 445,631</u>
<b>EXPENDITURES</b>			
Tax Collection Expenditures	\$ 42,631	\$ 38,056	\$ 36,836
Debt Service Principal	185,000	175,000	175,000
Debt Service Interest and Fees	<u>178,888</u>	<u>183,312</u>	<u>188,312</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 406,519</u>	<u>\$ 396,368</u>	<u>\$ 400,148</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ 9,611</u>	<u>\$ 39,263</u>	<u>\$ 45,483</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers In	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
<b>NET CHANGE IN FUND BALANCE</b>	\$ 9,611	\$ 39,263	\$ 45,483
<b>BEGINNING FUND BALANCE</b>	<u>265,389</u>	<u>226,126</u>	<u>180,643</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 275,000</u>	<u>\$ 265,389</u>	<u>\$ 226,126</u>
<b>TOTAL ACTIVE RETAIL WATER CONNECTIONS</b>	<u>1,227</u>	<u>1,232</u>	<u>1,232</u>
<b>TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS</b>	<u>1,206</u>	<u>1,213</u>	<u>1,213</u>

		Percentage of Total Revenues				
2022	2021	2025	2024	2023	2022	2021
\$ 403,312	\$ 240,088	93.9 %	95.1 %	95.4 %	98.4 %	96.6 %
6,427	8,142	3.1	2.4	3.6	1.6	3.3
161	371	3.0	2.5	1.0		0.1
<u>\$ 409,900</u>	<u>\$ 248,601</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 31,411	\$ 31,625	10.2 %	8.7 %	8.3 %	7.7 %	12.7 %
175,000	175,000	44.5	40.2	39.3	42.7	70.4
191,813	196,813	43.0	42.1	42.3	46.8	79.2
<u>\$ 398,224</u>	<u>\$ 403,438</u>	<u>97.7 %</u>	<u>91.0 %</u>	<u>89.9 %</u>	<u>97.2 %</u>	<u>162.3 %</u>
\$ 11,676	\$ (154,837)	<u>2.3 %</u>	<u>9.0 %</u>	<u>10.1 %</u>	<u>2.8 %</u>	<u>(62.3) %</u>
<u>\$ 70,000</u>	<u>\$ -0-</u>					
\$ 81,676	\$ (154,837)					
98,967	253,804					
<u>\$ 180,643</u>	<u>\$ 98,967</u>					
<u>1,234</u>	<u>1,236</u>					
<u>1,213</u>	<u>1,211</u>					

**POST WOOD MUNICIPAL UTILITY DISTRICT  
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS  
MARCH 31, 2025**

District Mailing Address - Post Wood Municipal Utility District  
c/o Marks Richardson P.C.  
3700 Buffalo Speedway, Suite 830  
Houston, TX 77098

District Telephone Number - (713) 942-9942

<b>Board Members</b>	Term of Office (Elected or Appointed)	Fees of Office for the year ended March 31, 2025	Expense Reimbursements for the year ended March 31, 2025	Title
Diane K. Flynn	05/22 05/26 (Elected)	\$ 7,180	\$ 1,318	President
Jason Harvey	05/22 05/26 (Elected)	\$ 5,383	\$ -0-	Vice President
Matthew Brogan	09/22 05/26 (Appointed)	\$ 7,200	\$ 1,144	Secretary
Adam Briscoe	05/24 05/28 (Elected)	\$ 6,087	\$ -0-	Assistant Secretary
Alicia San Miguel	05/24 05/28 (Elected)	\$ 6,226	\$ -0-	Assistant Secretary

Notes: No Director has any business or family relationships (as defined by the Texas Water Code) with major landowners in the District, with the District's developers or with any of the District's consultants.

Submission date of most recent District Registration Form: September 11, 2024

The limit on Fees of Office that a Director may receive during a fiscal year is the maximum amount allowed by law as set by Board Resolution (TWC Section 49.060) on July 20, 2023. Fees of Office are the amounts actually paid to a Director during the District's current year.

**POST WOOD MUNICIPAL UTILITY DISTRICT  
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS  
MARCH 31, 2025**

<b>Consultants:</b>	<u>Date Hired</u>	<u>Fees for the year ended March 31, 2025</u>	<u>Title</u>
Marks Richardson, PC	10/13/11	\$ 88,785	General Counsel
McCall Gibson Swedlund Barfoot Ellis PLLC	10/14/93	\$ 17,500	Auditor
Myrtle Cruz, Inc.	04/08/99	\$ 41,611	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	03/14/96	\$ 4,989	Delinquent Tax Attorney
Lockwood, Andrews & Newman, Inc.	04/09/98	\$ 85,885	Engineer
The GMS Group, L.L.C.	04/14/11	\$ 945	Financial Advisor
Water District Management Co., Inc.	10/16/97	\$ 344,054	Operator
Harris County	04/26/08	\$ 78,911	Security
Esther B. Flores, R.T.A.	12/12/02	\$ 22,173	Tax Assessor/ Collector

**APPENDIX B**

**SPECIMEN MUNICIPAL BOND INSURANCE POLICY**

(To be included in the Final Official Statement, if applicable)