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.

PRELIMINARY OFFICIAL STATEMENT DATED JULY 8, 2026

THE DELIVERY OF THE BONDS IS SUBJECT TO THE OPINION OF BOND COUNSEL TO THE DISTRICT AS TO THE VALIDITY OF THE BONDS AND TO THE EFFECT THAT INTEREST ON THE BONDS IS EXCLUDABLE FROM THE GROSS INCOME OF THE OWNERS OF THE BONDS FOR PURPOSES OF FEDERAL INCOME TAXATION UNDER STATUTES, REGULATIONS, PUBLISHED RULINGS, AND COURT DECISIONS EXISTING ON THE DATE OF SUCH OPINION, SUBJECT TO THE MATTERS DESCRIBED UNDER "TAX MATTERS" HEREIN, INCLUDING THE ALTERNATIVE MINIMUM TAX ON CERTAIN CORPORATIONS. SEE "LEGAL MATTERS" AND "TAX MATTERS" HEREIN FOR A DISCUSSION OF BOND COUNSEL'S OPINION.

The District will designate the Bonds as "Qualified Tax-Exempt Obligations" for financial institutions. See "TAX MATTERS – Qualified Tax-Exempt Obligations for Financial Institutions" herein.

NEW ISSUE—BOOK-ENTRY ONLY
CUSIP No. 613704

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

$5,900,000
MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT No. 15
(A political subdivision of the State of Texas, located in Montgomery County, Texas)
UNLIMITED TAX BONDS
SERIES 2026

Dated: September 1, 2026 **Due: March 1 (as shown below)**

Interest on $5,900,000 Unlimited Tax Bonds, Series 2026 (the "Bonds" or the "Series 2026 Bonds") will accrue from September 1, 2026, and will be payable on March 1 and September 1 of each year, commencing March 1, 2027. 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, 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 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. See "REGISTRATION – Paying Agent/Registrar."

MATURITIES, AMOUNTS, INTEREST RATES AND PRICES

Principal Amount	Maturity	Interest Rate	Yield to Maturity(a)	Principal Amount	Maturity	Interest Rate	Yield to Maturity(a)
$95,000	2028	%	%	$195,000	2043(b)	%	%
$100,000	2029	%	%	$205,000	2044(b)	%	%
$105,000	2030	%	%	$215,000	2045(b)	%	%
$110,000	2031	%	%	$230,000	2046(b)	%	%
$115,000	2032(b)	%	%	$240,000	2047(b)	%	%
$125,000	2033(b)	%	%	$250,000	2048(b)	%	%
$130,000	2034(b)	%	%	$265,000	2049(b)	%	%
$135,000	2035(b)	%	%	$275,000	2050(b)	%	%
$140,000	2036(b)	%	%	$290,000	2051(b)	%	%
$150,000	2037(b)	%	%	$305,000	2052(b)	%	%
$155,000	2038(b)	%	%	$315,000	2053(b)	%	%
$165,000	2039(b)	%	%	$335,000	2054(b)	%	%
$170,000	2040(b)	%	%	$350,000	2055(b)	%	%
$180,000	2041(b)	%	%	$365,000	2056(b)	%	%
$190,000	2042(b)	%	%				

(a) The initial reoffering yields are established by and are the sole responsibility of the Underwriter (hereinafter defined) and may be subsequently changed.

(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. If fewer than all of the Bonds within a maturity are redeemed, the Bonds to be redeemed shall be selected, on behalf of the District, by the Paying Agent/Registrar, in its capacity as Registrar, by lot or other customary method, in integral multiples of $5,000 in any one maturity. See "THE BONDS—Optional Redemption."

Proceeds from the sale of the Bonds will be used to: (1) reimburse a Developer (as defined herein) for certain development costs associated with a commercial development to be served by the District; (2) fund developer interest as approved by the TCEQ; (3) fund certain wastewater treatment plant expansion costs; (4) to pay developer interest; and (5) pay issuance and administrative expenses associated with the sale and delivery 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 against all taxable property within the District. See "THE BONDS – Sources of and Security for Payment." The Bonds are obligations solely of the District and are not obligations of the State of Texas, Montgomery County, the City of Conroe, or any entity other than the District. Neither the faith and credit nor the taxing power of the State of Texas, Montgomery County, or the City of Conroe is pledged to the payment of the principal of or interest on the Bonds. **The Bonds are subject to certain risk factors described under the caption "RISK FACTORS."**

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 Young & Brooks, Attorneys at Law, Houston, Texas, Bond Counsel. Certain other matters will be passed upon on behalf of the District by Norton Rose Fulbright US LLP, Houston, Texas, Disclosure Counsel. Delivery of the Bonds is expected through the facilities of DTC on or about September 16, 2026.

Bids Due: Wednesday, August 12, 2026 at 9:00 A.M. Houston Time

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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, as amended ("Rule 15c2-12"), 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 Rule 15c2-12.

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, contracts, audited financial statements, engineering, and other related reports set forth in this Official Statement are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents, copies of which are available from Young & Brooks, Attorneys at Law, 10000 Memorial Drive, Suite 260, Houston, Texas 77024, upon payment of duplication costs.

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

The following statement is provided by the Underwriter. In accordance with their responsibilities under the federal securities laws, the Underwriter has reviewed the information in this Official Statement but do not guarantee its accuracy or completeness.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this final 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 Underwriters 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. 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 THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE THAT MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The District has control over the trading of the Bonds in the secondary marker. 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.

NO REGISTRATION OR QUALIFICATION FOR SALE OF BONDS

No registration statement relating to the Bonds has been filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended, in reliance upon the exemptions provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been registered or qualified under the securities acts of any jurisdiction. The District assumes no responsibility for registration or 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 or qualification provisions.

The Bonds have been sold to the Underwriter on the basis of its representation that the Bonds will be sold in states other than Texas only pursuant to exemptions from registration or qualification or that the Underwriter will, where necessary, register or qualify the Bonds in accordance with the securities laws of the state in which the Bonds are offered or sold.

REGISTRATION

Paying Agent/Registrar:

The initial Paying Agent/Registrar is The Bank of New York Mellon Trust Company, N.A. The Bonds will be issued in fully registered form in multiples of $5,000 for any one maturity, and principal and semi-annual interest will be paid by the District through the Paying Agent/Registrar. Principal will be payable to the registered holder at maturity or redemption upon presentation to the Paying Agent/Registrar. Interest will be payable by check or draft, dated as of the interest payment date, and mailed by the Paying Agent/Registrar to registered holders as shown on the records of the Paying Agent/Registrar at the close of business on the 15th calendar day of the month next preceding each interest payment date.

Successor Paying Agent/Registrar:

Provision is made in the Bond Order for replacement of the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the District, the new Paying Agent/Registrar shall accept the previous Paying Agent/Registrar's records and act in the same capacity as the previous Paying Agent/Registrar. Any Paying Agent/Registrar selected by the District shall be either a national or state banking institution and shall be a corporation organized and doing business under the laws of the United States of America or of any State, shall be authorized under such laws to exercise trust powers, and shall be subject to supervision or examination by Federal or State banking authorities. Any successor Paying Agent/Registrar shall be selected by the District.

Assignments, Transfers, and Exchange:

In the event that Book-Entry is discontinued, the Bonds may be transferred, registered and assigned only on the registration books of the Paying Agent/Registrar, and such registration (exclusive of any tax or governmental charge therefor) shall be at the expense of the District. A Bond may be assigned by execution of the assignment form printed on the Bond. A new Bond or Bonds will be delivered by the Paying Agent/Registrar to the last assignee (the new registered owner) in exchange for such transferred and assigned Bonds not more than three days after receipt of the Bonds to be transferred in proper form. Such new Bond or Bonds must be in the denomination of $5,000 for any one maturity, or any integral multiple thereof. The Bonds are transferable only on the bond register kept by the Registrar upon surrender and reissuance. The Bonds are exchangeable for an equal principal amount or maturity amount of Bonds of the same maturity in any authorized denomination upon surrender of the Bonds to be exchanged at the principal office of the Registrar.

Record Date:

The record date ("Record Date") for the interest payable on any interest payment date means the 15th calendar day of the month next preceding such interest payment date.

Record Date for Bonds to be Redeemed:

Neither the District nor the Paying Agent/Registrar shall be required (1) to issue, transfer, or exchange any Bond during a period beginning at the opening of business 15 days before the day of the first mailing of a notice of redemption of Bonds and ending at the close of business on the day of such mailing or (2) to transfer or exchange any Bond so selected for redemption in whole or in part when such redemption is scheduled to occur within 45 calendar days.

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. Potential purchasers 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 the bond insurance company 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: Montgomery County Municipal Utility District No. 15 Unlimited Tax Bonds, Series 2026 (the "Bonds" or the "Series 2026 Bonds"), issued pursuant to Article XVI, Section 59 the Constitution and general laws of the State of Texas, particularly, Chapters 49 and 54 of the Texas Water Code, as amended, an election held within the District on May 5, 2018, an order approving the sale of the Bonds issued by Texas Commission on Environmental Quality (the "TCEQ"), and an order authorizing the issuance of the Bonds (the "Bond Order") adopted by the Board of Directors (the "Board") of Montgomery County Municipal Utility District No. 15 (the "District"). The Bonds will be dated September 1, 2026, with interest payable commencing March 1, 2027, and each September 1 and March 1, thereafter until the earlier of maturity or redemption. The Bonds mature on March 1 in the years as shown in the table on the cover page of this Official Statement. See "THE BONDS - General."

Book-Entry-Only System: The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of 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, 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 participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM."

Redemption Provisions: Bonds maturing on or after 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."

Source of Payment: The Bonds are payable from a continuing direct annual ad valorem tax levied against all taxable property within the District which, under Texas law, is not limited as to rate or amount. The Bonds are obligations of the District and are not obligations of the State of Texas, Montgomery County, the City of Conroe, or any other political subdivision or agency. See "THE BONDS - Sources of and Security for Payment."

Use of Proceeds: Proceeds from the sale of the Bonds will be used to: (1) reimburse a Developer (as defined herein) for certain development costs associated with a commercial development to be served by the District; (2) fund developer interest as approved by the TCEQ; (3) fund certain wastewater treatment plant expansion costs; (4) to pay developer interest; and (5) pay issuance and administrative expenses associated with the sale and delivery of the Bonds. See "USE OF BOND PROCEEDS."

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 Assured Guaranty Inc. ("AG") and Build America Mutual Assurance Company ("BAM") for qualification of the Bonds for bond insurance. The Underwriter 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."

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, and will represent that the total amount of tax-exempt bonds (including the Bonds) issued by it during calendar year 2026 is not reasonably expected to exceed $10,000,000 and that it will not designate more than $10,000,000 of qualified tax-exempt obligations during the calendar year 2026. See "TAX MATTERS -- Qualified Tax-Exempt Obligations for Financial Institutions."

Authorized But Unissued Bonds: After the issuance of the Bonds, the District will have (i) $6,702,000 authorized but unissued unlimited tax bonds that may be used for the purposes of financing water, sanitary sewer, or drainage facilities to serve the District, or to refund bonds issued for such purposes, (ii) $1,195,000 authorized but unissued unlimited tax refunding bonds designated solely for the purpose of refunding outstanding bonds of the District. See “THE BONDS – Authority for Issuance.”

Paying Agent/ Registrar: The Bank of New York Mellon Trust Company, N.A., Houston, Texas.

Legal Opinion: Young & Brooks, Attorneys at Law, Bond Counsel, Houston, Texas. See "LEGAL MATTERS."

Payment Record: The District has never defaulted on payment of principal of or interest on its bonded indebtedness.

Risk Factors: 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 “RISK FACTORS.”

THE DISTRICT

Description: The District was created by Order of the Texas Water Rights Commission (now the Texas Commission on Environmental Quality “TCEQ”) in 1972 and operates pursuant to Chapters 49 and 54 of the Texas Water Code, as amended. The District contains approximately 835 acres of land and is located in southern Montgomery County, approximately 32 miles north, northwest of the Houston central business district. More specifically, the District is located approximately one mile to the east of I-45 and seven miles south of the City of Conroe. Needham Road/State Highway 242 runs through the middle of the District in an east-west direction. A portion of the District fronts on the West Fork of the San Jacinto River to the north; Wood Hollow Drive is located generally to the north of the District; the District is bounded by the Town of Woodloch on the east; vacant land lies to the south; the Spindle Wheel Subdivision lies to the southeast; and generally Gleneagles Drive borders the District on the west. The District is located within the extraterritorial jurisdiction of the City of Conroe. See “THE DISTRICT.”

Development: As of July 1, 2026, there were approximately 2,365 single family homes completed and no homes under construction (approximately 2,335 homes were occupied as of July 1, 2026) and no vacant developed lots.

Commercial development in the District consisted of two service stations, two fast food restaurants, two commercial strip centers, a tractor supply store, an automotive aftermarket establishment, and two minor retail businesses. Under construction is a two-story medical office building and two additional fast food restaurants. See “THE DISTRICT – Current Status of Residential Building in the District” and “– Existing Commercial Building Development.”

The Developer: DAMC Properties, Inc (the “Developer”) has completed the land development on approximately 16.8 acres of land that is currently planned to be developed as commercial retail and commercial office building development. A portion of the Bonds will be used to reimburse the Developer for a portion of its eligible reimbursable costs incurred to date.

SELECTED FINANCIAL INFORMATION
(Unaudited)

2026 Certified Taxable Value	$604,040,081	(a)
2025 Certified Taxable Value	$624,579,539	(b)
Direct Debt (See "DISTRICT DEBT")		
Outstanding Bonds (As of July 1, 2026)	$35,060,000	
Plus Series 2026 Bonds	$5,900,000	
Total Direct Debt	$40,960,000	
Estimated Overlapping Debt	$35,138,060	(c)
Direct and Estimated Overlapping Debt	$76,098,060	
Percentage of Direct Debt to:		
2026 Certified Taxable Value	6.78%	
2025 Certified Taxable Value	6.56%	
See "DISTRICT DEBT"		
Percentage of Direct Overlapping Debt to:		
2026 Certified Taxable Value	12.60%	
2025 Certified Taxable Value	12.18%	
See "DISTRICT DEBT"		
2025 Tax Rate Per $100 of Assessed Value:		
Debt Service	$0.36	
Maintenance Tax	$0.26	
Total 2025 Tax Rate	$0.62	
Approximate General Fund Cash and Investment Balance (as of 6/10/2026)	$8,432,006	(d)
Approximate Debt Service Fund Cash and Investment Balance (as of 6/10/2026)	$1,875,043	(e)

(a) Reflects data recently supplied by the Montgomery Central Appraisal District ("MCAD"). The Certified Taxable Value as of January 1, 2026 was prepared by MCAD and provided to the District. Such value includes $550,211,666 of property values that are fully certified and $53,828,415 of taxable value that MCAD believes will ultimately be certified. See "TAX DATA" and "TAX PROCEDURES."

(b) Reflects the January 1, 2025, Certified Taxable Value according to data supplied to the District by the MCAD. See "DISTRICT TAX DATA" and "TAXING PROCEDURES."

(c) See "DISTRICT DEBT - Estimated Overlapping Debt."

(d) The figure above includes $7,187,922 currently in the District's general fund, $714,454 currently in the collections account and $439,630 currently in the tax account to be transferred to the general fund.

(e) Represents the approximate cash and investment balance in the Debt Service Fund as of June 10, 2026; such amount includes $607,106 currently in the District's tax account. Neither Texas law nor the District's Bond Order requires the District to maintain any particular balance in the Debt Service Fund.

DEBT SERVICE REQUIREMENTS

The following sets forth the debt service requirements on the District's outstanding bonds plus the debt service on the Bonds.

Year	Outstanding Debt Service Requirements	Plus: Series 2026 Bonds Principal	Plus: Series 2026 Bonds Interest*	Total Debt Service Requirements*
2026	$2,485,422	-	-	$2,485,422
2027	$2,471,237	-	$280,250	$2,751,487
2028	$2,490,506	$95,000	$277,994	$2,863,500
2029	$2,527,274	$100,000	$273,363	$2,900,637
2030	$2,557,996	$105,000	$268,494	$2,931,490
2031	$2,573,124	$110,000	$263,388	$2,946,512
2032	$2,599,565	$115,000	$258,044	$2,972,609
2033	$2,597,175	$125,000	$252,344	$2,974,519
2034	$2,671,337	$130,000	$246,288	$3,047,625
2035	$2,667,388	$135,000	$239,994	$3,042,382
2036	$2,650,882	$140,000	$233,463	$3,024,345
2037	$2,651,501	$150,000	$226,575	$3,028,076
2038	$2,035,663	$155,000	$219,331	$2,409,994
2039	$2,097,790	$165,000	$211,731	$2,474,521
2040	$1,968,212	$170,000	$203,775	$2,341,987
2041	$1,963,150	$180,000	$195,463	$2,338,613
2042	$1,976,041	$190,000	$186,675	$2,352,716
2043	$1,684,956	$195,000	$177,531	$2,057,487
2044	$859,684	$205,000	$168,031	$1,232,715
2045	$862,262	$215,000	$158,056	$1,235,318
2046	$643,622	$230,000	$147,488	$1,021,110
2047	$629,153	$240,000	$136,325	$1,005,478
2048	$639,294	$250,000	$124,688	$1,013,982
2049	$648,777	$265,000	$112,456	$1,026,233
2050	$637,944	$275,000	$99,631	$1,012,575
2051	-	$290,000	$86,213	$376,213
2052	-	$305,000	$72,081	$377,081
2053	-	$315,000	$57,356	$372,356
2054	-	$335,000	$41,919	$376,919
2055	-	$350,000	$25,650	$375,650
2056	-	$365,000	$8,669	$373,669
TOTALS	**$47,589,955**	**$5,900,000**	**$5,253,263**	**$58,743,218**

Maximum Annual Debt Service Requirements (2034)..$3,047,624*

$0.54 Tax Rate on the 2026 Certified Taxable Value of $604,040,081
@ 95% collections produces..$3,098,726*

$0.52 Tax Rate on the 2025 Certified Taxable Value of $624,579,539
@ 95% collections produces..$3,085,423*

* Preliminary, subject to change.

OFFICIAL STATEMENT
relating to

$5,900,000

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT No. 15
(A political subdivision of the State of Texas, located within Montgomery County, Texas)

UNLIMITED TAX BONDS, SERIES 2026

INTRODUCTION

This Official Statement provides certain information in connection with the issuance of Montgomery County Municipal Utility District No. 15 Unlimited Tax Bonds, Series 2026 (the "Bonds" or the "Series 2026 Bonds").

The Bonds are issued pursuant to Article XVI, Section 59 the Constitution and general laws of the State of Texas, particularly, Chapters 49 and 54 of the Texas Water Code, as amended, an election held within the District on May 5, 2018, an order approving the sale of the Bonds issued by the Texas Commission on Environmental Quality (the "TCEQ"), and an order authorizing the issuance of the Bonds (the "Bond Order") adopted by the Board of Directors (the "Board") of Montgomery County Municipal Utility District No. 15 (the "District").

This Official Statement includes descriptions of the Bonds, the Bond Order and certain information about the District and its 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 the District's Bond Counsel upon payment of costs of duplication thereof.

RISK FACTORS

General:

The Bonds are obligations of the District and are not obligations of the State of Texas, Montgomery County, the City of Conroe, 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 – Sources 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 justify the continued payment of taxes by property owners.

Marketability:

The District has no understanding (other than the initial reoffering yields) with the Underwriter regarding the reoffering yields or prices of the Bonds and has no control over trading of the Bonds in the secondary market. Moreover, there is no assurance that a secondary market will be made in the Bonds. If there is a secondary market, the difference between the bid and asked price of the Bonds may be greater than the 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 Collection Limitations:

The District's ability to make debt service payments may be adversely affected by its inability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien in favor of the District on a parity with the liens of all other state and local taxing authorities on the property against which taxes are levied, and such lien may be enforced by foreclosure. The District's ability to collect ad valorem taxes through such foreclosure may be impaired by market conditions limiting the proceeds from a foreclosure sale of taxable property and collection procedures. 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. The costs of collecting any such taxpayer's delinquencies could substantially reduce the net proceeds to the District from a tax foreclosure sale. Finally, a 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 other ways: first, a debtor's confirmation plan may allow a debtor to make installment payments on delinquent taxes for up to six years; and, second, a debtor may challenge, and a bankruptcy court may reduce, the amount of any taxes assessed against the debtor, including taxes that have already been paid. See "TAXING PROCEDURES - District's Rights in the Event of Tax Delinquencies."

Registered Owners' Remedies:

If the District defaults in the payment of principal, interest, or redemption price on the Bonds when due, or if it fails to make payments into any fund or funds created in the Bond Order, or defaults in the observation or performance of any other covenants, conditions, or obligations set forth in the Bond Order, the Registered Owners 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 was 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.

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.

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 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 Texas Commission on Environmental Quality (the "TCEQ") investigates the financial condition of the District and authorizes 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.

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:

The Houston metropolitan area has, in the past, experienced increased unemployment, business failures, and slow absorption of office space, especially during times of relatively low oil and natural gas prices. The relatively low oil and natural gas prices, currently being experienced worldwide, could affect the demand for new residential home construction and commercial development and hence the growth 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.

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 land development or homebuilding 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.

A material percentage of the taxable values of the District is derived from the current market value of commercial improvements and tracts developed for commercial purposes. The market value of such tracts is related to general economic conditions affecting the demand for commercial, retail, warehouse, and office space. Demand for tracts of this type and the construction of commercial projects thereon can be significantly affected by factors such as interest rates, credit availability, construction costs, energy availability and the prosperity and demographic characteristics of the urban center toward which the marketing of such tracts is directed. Decreased levels of construction activity or reduced resale value of such tracts would tend to restrict the growth or maintenance of property values in the District or could adversely impact such values.

The commercial real estate industry in the Houston area is competitive, and the District can give no assurance that development programs will be implemented or completed. The sale of developed commercial tracts and the competitive position of prospective builders in the construction of commercial establishments are affected by most of the factors discussed herein.

Alternative sites are available for the construction of single-family residential improvements and commercial development within the market area in which the District is located. Such sites could pose competition to the continued commercial development on comparable sites and maintenance of residential values within the District.

Landowners/Developers under No Obligation to the District:

There are no commitments from or obligations of any landowner or the Developers (as defined herein) within the District to proceed at any particular rate or according to any specified plan with the development of land or the construction of homes in the District, and there is no restriction on any landowner's or Developer's right to sell their land.

Maintenance of District Tax Rates:

The District's 2025 combined debt service and maintenance tax rate was $0.62 per $100 of assessed valuation. The maintenance of the District's tax base is directly related to the housing industry in general. The housing industry has historically been a cyclical industry, affected by short-term and long-term interest rates, demand for developed property, availability of mortgage and development funds, labor conditions, and general economic conditions. In the 1980s and again in 2007 – 2010 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, which is 32 miles from downtown Houston, also could be affected by competition from nearby residential developments. In addition to competition for new home sales from other developments, there are numerous previously-owned homes in more established neighborhoods closer to downtown Houston that have been on the market for an extended period of time.

Both the local demand for, and the sale of single-family homes are affected by most of the factors discussed herein and will directly affect the maintenance of taxable values in the District and the ability of the District to raise tax revenues sufficient to pay its debt service requirements.

Assuming no further construction of residential, multi-family and/or commercial projects within the District other than those which have heretofore been constructed, the value of such land and improvements currently located and under construction 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 $3,047,624 (2034). Assuming no increase or decrease from the 2026 Certified Taxable Value of $604,040,081 and no use of other District funds, a District tax rate of $0.54 per $100 of assessed valuation at 95% collection would be necessary to pay the Maximum Annual Debt Service Requirements. Assuming no increase or decrease from the 2025 Certified Taxable Value of $624,579,539 and no use of other District funds, a District tax rate of $0.52 per $100 of assessed valuation at 95% collection would be necessary to pay the Maximum Annual Debt Service Requirements. See "TAX DATA - Tax Rate Calculations."

Potential Effects of Oil Price Fluctuation on the Houston Area:

The economy of the Houston area has, in the past, been particularly affected by adverse conditions in the oil and gas industry, and such conditions and their spillover effects into other industries could result in declines in the demand for residential and commercial property in the Houston area and could reduce or negatively affect property values or homebuilding activity within the District. 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.

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.

Increase In Costs of Building Materials and Labor Shortages:

As a result of low supply and high demand, shipping constraints, and ongoing trade disputes (including tariffs and retaliatory tariffs), there have been substantial increases in the cost of lumber and other materials, causing many homebuilders and general contractors to experience budget overruns. Further, the federal administration's unpredictable tariff policy (including the threatened impositions of tariffs) may impact the ability of the developer or homebuilder[s] in the District to estimate costs. The federal administration's immigration policies may additionally impact the State's workforce, particularly in construction. Mass deportations or immigration policies that make it challenging for foreign workers to work in the United States may result in labor shortages that impact the developer's ability to construct utility and road facilities 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.

Future Debt:

After the issuance of the Bonds, the District will have (i) $6,702,000 authorized but unissued unlimited tax bonds that may be used for the purposes of financing water, sanitary sewer, or drainage facilities to serve the District, or to refund bonds issued for such purposes, and (ii) $1,195,000 authorized but unissued unlimited tax refunding bonds designated solely for the purpose of refunding outstanding bonds of the District. All such bonds that will remain authorized but unissued can be issued subject to the approval of the Attorney General of the State of Texas and in the case of new money bonds, subject to the approval of the TCEQ.

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. According to the Engineer, such bond authorization should be adequate to finance the District's share of development costs to allow for the full development of land within the District. The District has also reserved the right to issue certain other additional bonds, special project bonds, and other obligations described in the Bond Order. All of the remaining bonds described above which have heretofore been authorized by the voters of the District, may be issued by the District from time to time as needed. 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:

The District is authorized by statute to develop parks and recreational facilities, including the issuing of bonds payable from taxes for such purpose. Before the District could issue recreational facilities bonds payable from taxes, the following actions would be required: (a) amendments to existing city ordinances specifying the purposes for which the District may issue bonds; (b) preparation of a detailed park plan; (c) authorization of recreational facilities bonds by the qualified voters in the District; (d) approval of the park project and bonds by the TCEQ; and (e) approval of the bonds by the Attorney General of Texas. Also, the outstanding principal amount of such bonds may not exceed an amount equal to three percent of the value of the taxable property in the District. The Board has not discussed and presently has no plans to hold an election authorizing the issuance of recreational facilities bonds and authorizing a recreational facilities maintenance tax.

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.

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."

Environmental Regulation and Air Quality:

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

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

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

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

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

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

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

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

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

Pursuant to the federal Safe Drinking Water Act ("SDWA") and the EPA's National Primary Drinking Water Regulations ("NPDWRs"), which are implemented by the TCEQ's Water Supply Division, a municipal utility district's provision of water for human consumption is subject to extensive regulation as a public water system.

Municipal utility districts must generally provide treated water that meets the primary and secondary drinking water quality standards adopted by the TCEQ, the applicable disinfectant residual and inactivation standards, and the other regulatory action levels established under the agency's rules. The EPA has established NPDWRs for more than ninety (90) contaminants and has identified and listed other contaminants which may require national drinking water regulation in the future. Further, the EPA has established a NPDWR for six (6) Per- and Polyflouroalkyl Substances ("PFAS"), which requires public water systems to perform certain monitoring and remediation measures. Public water systems may be subject to additional PFAS regulation in the future, which could increase the cost of constructing, operating, and maintaining water production and distribution facilities.

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

The District'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.

Hurricane Harvey:

The Houston area, including the area in and around the District in Montgomery County, sustained widespread wind and rain damage and flooding as a result of Hurricane Harvey's landfall along the Texas gulf coast on August 25, 2017, and historic levels of rainfall during the succeeding four days. According to representatives of the District's consultants, the water, sewer, and drainage facilities serving the land within the District did not sustain any significant damage and there was no interruption of water and sewer service to District residents.

Hurricane Beryl:

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 from Hurricane Beryl. The District did not receive reports that any homes or improvements within the District experienced structural flooding or other significant damage as a result of Hurricane Beryl.

Winter Storm Uri:

From February 12-19, 2021, the State of Texas experienced a severe winter storm ("Winter Storm Uri") which included prolonged freezing temperatures, heavy snow and freezing rains statewide. Winter Storm Uri led to power outages and potable and non-potable water shortages in many areas of the State, including the District. The federal government issued a Major Disaster Declaration for the State of Texas and has included federal funding for emergency protective measures. The District did not sustain material damage to its infrastructure during Winter Storm Uri. The District experienced no interruptions of wastewater service as a result of Winter Storm Uri. The District cannot predict the impact of future winter weather events.

Inclement Weather:

The District is located approximately 61 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.

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.

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.

Tax Payment Installments After Disaster:

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

Additionally, the Property Tax Code authorizes a taxing jurisdiction such as the District, solely at the jurisdiction's discretion to adopt a similar installment payment option for taxes imposed on property that is located within a designated disaster area or emergency area and is owned or leased by certain qualified business entities, regardless of whether the property 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 Service Area 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 Service Area. The application of such regulations could additionally result in higher insurance rates, increased development fees, and stricter building codes for any property located within the expanded boundaries of the floodplain.

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:

If a bond insurance policy is obtained securing principal of and interest on the Bonds, then 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 optional redemption 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 optional prepayment of the Bonds by the District which is recovered by the District from the bond owner as a voidable preference under applicable bankruptcy law is covered by the insurance policy, however, such payments will be made by the Insurer at such time and in such amounts as would have been due absent such prepayment by the Issuer unless the Bond Insurer chooses to pay such amounts at an earlier date.

Default of payment of principal of and interest on the Bonds does not accelerate 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 governing insolvency of insurance companies.

Neither the District nor 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.

USE OF BOND PROCEEDS

The proceeds from the sale of the Bonds will be used to: (1) reimburse a Developer (as defined herein) for certain development costs associated with a commercial development to be served by the District; (2) fund developer interest as approved by the TCEQ; (3) fund certain wastewater treatment plant expansion costs; and (4) to pay developer interest; and (5) pay issuance and administrative expenses associated with the sale and delivery of the Bonds.

The Engineer has advised the District that the proceeds listed below should be sufficient to finance certain water, sewer and drainage facilities construction costs previously incurred by the Developer. The District’s present estimate of the use of proceeds of the Bonds is as follows:

CONSTRUCTION COSTS:	**Total Costs**	(a)
Developer Contribution Items		
W&WW Line Extensions	$270,258	
Engineering, Testing & Survey	$70,661	
Total Developer Contribution Items	***$340,919***	
District Items		
Wastewater Treatment Plant Supplemental Expansion	$4,000,000	
Contingency	$600,000	
Engineering	$400,000	
Total District Items	***$5,000,000***	
TOTAL CONSTRUCTION COSTS	**$5,340,919**	
NON-CONSTRUCTION COSTS:		
Legal Fees	$152,500	
Financial Advisor Fees	$118,000	
Developer Interest Costs	$34,062	
Bond Discount	$118,000	
Bond Issuance Expense	$39,119	
Bond Application Report	$76,750	
Attorney General’s Fee	$5,900	
TCEQ Bond Issuance Fee	$14,750	
Contingency	$0	(b)
TOTAL NON-CONSTRUCTION COSTS:	**$559,081**	
TOTAL BOND ISSUE REQUIREMENT	**$5,900,000**	

(a) TCEQ rules require, with certain exceptions, that developers contribute to the District's construction program a minimum of 30% of the construction costs of certain system facilities. The TCEQ granted the District a waiver of such rule.

(b) The TCEQ Order requires the District to designate any surplus bond proceeds resulting from the sale of the bonds at a lower interest rate than the rate initially projected in the District's Bond Application to the TCEQ as a contingency line item in the Official Statement.

THE BONDS

General:

The Bonds are dated September 1, 2026. The Bonds will mature on March 1 in the years and in the amounts set forth on the cover page of this Official Statement. Interest on the Bonds is payable on March 1, 2027, and each September 1 and March 1 thereafter until maturity or prior redemption. The Bonds will be issued in denominations of $5,000 each or integral multiples thereof. 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.

The Bonds will be issued only in fully registered form in any integral multiple of $5,000 of 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.

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 15th 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 pursuant to Article XVI, Section 59 the Constitution and general laws of the State of Texas, particularly, Chapters 49 and 54 of the Texas Water Code, as amended, an election held within the District on May 5, 2018, an order approving the sale of the Bonds issued by the TCEQ, and an order authorizing the issuance of the Bonds (the "Bond Order") adopted by the Board of Directors (the “Board”) of Montgomery County Municipal Utility District No. 15 (the "District"). After the issuance of the Bonds, the District will have (i) $6,702,000 authorized but unissued unlimited tax bonds that may be used for the purposes of financing water, sanitary sewer, or drainage facilities to serve the District, or to refund bonds issued for such purposes, and (ii) $1,195,000 authorized but unissued unlimited tax refunding bonds designated solely for the purpose of refunding outstanding bonds of the District.

Optional Redemption:

The Bonds scheduled to mature on or after March 1, 2032, are subject to redemption prior to scheduled maturity at the option of the District, in whole or from time to time in part, on March 1, 2031, and on any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest from the most recent interest payment date to the redemption date. If fewer than all of the Bonds are redeemed at any time, the District shall determine the maturity or maturities and the amounts thereof to be redeemed. If fewer than all of the Bonds within a maturity are to be redeemed, the Paying Agent/Registrar shall select the Bonds to be so redeemed by lot or other random selection method.

Notice of each exercise of the right of redemption will be given by the Paying Agent/Registrar at least 30 calendar days prior to the date fixed for redemption in the manner specified in the Bond Order. When Bonds have been called for redemption, the right of the registered owners of such Bonds to collect interest which would otherwise accrue after the date for redemption will be terminated.

The Bonds of a denomination larger than $5,000 in principal amount may be redeemed in part ($5,000 in principal or any integral multiple thereof). Any Bond to be partially redeemed must be surrendered in exchange for one or more new Bonds of the same maturity for the unredeemed portion of the principal.

Sources of and Security for Payment:

The Bonds are payable from the proceeds of a continuing direct annual ad valorem tax levied, without legal limitation as to rate or amount, against taxable property located within the District. The Bonds are obligations of the District and are not obligations of the State of Texas, Montgomery County, the City of Conroe, or any other political subdivision or agency. In the Bond Order the District covenants to levy a tax sufficient in rate and amount to pay principal of and interest on the Bonds when due, full allowance being made for delinquencies and costs of collection, and the District undertakes to collect such tax. The net proceeds from taxes levied for debt service purposes will be deposited in the District's Debt Service Fund and will be used to pay principal of and interest on the Bonds and on any additional bonds payable from taxes which the District may hereafter issue.

Defeasance:

The Bond Order provides that the District may discharge its obligations to the Registered Owners of any or all of the Bonds to pay principal, interest and redemption price thereon in any manner permitted by law. Under current Texas law, such discharge may be accomplished either (i) by depositing with the Comptroller of Public Accounts of the State of Texas a sum of money equal to the principal of, premium, if any, and all interest to accrue on the Bonds to maturity or redemption of (ii) by depositing with any place of payment (paying agent) for obligations of the District payable from revenues or from ad valorem taxes or both, or with a commercial bank or trust company designated in the proceedings authorizing such discharge, 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. The foregoing obligations may be in book-entry-only form, and shall 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. If any such Bonds are to be redeemed prior to their respective dates of maturity, provision must have been made for giving notice of redemption as provided in the Bond Order.

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

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

Funds:

The Bond Order confirms the previous establishment of the District's Debt Service Fund. The Debt Service Fund 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 of the District's duly authorized additional bonds. Amounts on deposit in the Debt Service Fund may also be used to pay the fees and expenses of the Paying Agent/Registrar and to pay the expenses of assessing and collecting taxes levied for payment of interest on and principal of the Bonds and any additional bonds.

Issuance of Additional Debt:

If authorized by the District's voters and with the approval of the TCEQ, the District may issue bonds necessary to provide and maintain improvements for which the District was created. See "THE DISTRICT." After the issuance of the Bonds, the District will have (i) $6,702,000 authorized but unissued unlimited tax bonds that may be used for the purposes of financing water, sanitary sewer, or drainage facilities to serve the District, or to refund bonds issued for such purposes, and (ii) $1,195,000 authorized but unissued unlimited tax refunding bonds designated solely for the purpose of refunding outstanding bonds of the District. The Bond Order imposes no limitation on the amount of additional parity bonds which may be issued by the District, and in the Bond Order the District reserves the right to issue additional unlimited tax bonds, unlimited tax and revenue bonds, revenue bonds, and inferior lien bonds. See "RISK FACTORS - Future Debt."

Registration, Transfer, and Exchange:

In the event that the Book-Entry System is discontinued, the Bonds are transferable only at the designated principal corporate trust office of the Paying Agent/Registrar upon presentation and surrender of the Bonds accompanied by a duly executed assignment. The Bonds are exchangeable for an equal principal amount of Bonds of the same type, maturity, and interest rate, in any authorized denomination. No service charge will be made for any transfer or exchange, but the District or the Paying Agent/Registrar may require payment of a sum sufficient to cover any tax or governmental charge payable in connection therewith. Neither the District nor the Paying Agent/Registrar is required to (i) issue, transfer or exchange any Bond during the period beginning at the opening of business 15 calendar days before the date of the first mailing of any notice of redemption of Bonds and ending at the close of business on the date of such mailing or (ii) thereafter to transfer or exchange any Bonds selected for redemption when such redemption is scheduled within 45 calendar days.

Replacement of Mutilated, Lost or Stolen Bonds:

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

Legal Investment and Eligibility to Secure Public Funds in Texas:

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

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

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

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

BOOK-ENTRY-ONLY SYSTEM

For purposes of this section of the Official Statement the term Securities refers to the Bonds. This section describes how ownership of the Securities is to be transferred and how the principal of, premium, if any, Maturity Value, and interest on the Securities are to be paid to and credited by DTC while the Securities 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 Securities, 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 Securities), 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.

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

Purchases of Securities under the DTC system must be made by or through Direct Participants, who will receive a credit for the Securities 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 Securities are to be accomplished by entries made on the books of Direct and

Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive securities representing their ownership interests in Securities except in the event that use of the book-entry system for the Securities is discontinued.

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

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

Redemption notices shall be sent to DTC. If fewer than all of the Securities 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 Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

All payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from 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 Securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. 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 Securities 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 neither of the District, the Financial Advisor nor 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.

THE DISTRICT

General :

The District is a municipal utility district created by Order of the Texas Water Rights Commission (now the TCEQ) in 1972. The rights, powers, privileges, authorities and functions of the District are established by the general laws of the State of Texas pertaining to municipal utility districts, particularly Chapters 49 and 54, Texas Water Code, as amended. The District is subject to the continuing supervision of the TCEQ. The District is empowered to purchase, construct, operate, and maintain all works, improvements, facilities, and plants necessary for the supply of water; the collection, transportation, and treatment of wastewater; and the control and diversion of storm water. In addition, the District is empowered, if approved by the electorate, the TCEQ and other governmental entities having jurisdiction, to establish, operate and maintain a fire department, either independently or with certain other districts, and to develop parks and recreational facilities.

The District contains approximately 835 acres of land and is located in southern Montgomery County, approximately 32 miles north, northwest of the Houston central business district. More specifically, the District is located approximately one mile to the east of I-45 and seven miles south of the City of Conroe. Needham Road/State Highway 242 runs through the middle of the District in an east-west direction. A portion of the District fronts on the West Fork of the San Jacinto River to the north; Wood Hollow Drive is located generally to the north of the District; the District is bounded by the Town of Woodloch on the east; vacant land lies to the south; the Spindle Wheel Subdivision lies to the southeast; and generally Gleneagles Drive borders the District on the west. The District is located within the extraterritorial jurisdiction of the City of Conroe. See "THE DISTRICT."

Summary of Land Use:

A summary of the approximate land use in the District appears in the following table:

Type of Land Use	**Approximate Acres**	(a)
Fully Developed Acreage	633	(b)
Acres Currently Being Developed	0	
Additional Developable Acreage	8	(c)
Undevelopable Acreage	194	(d)
Total Approximate Acres	**835**	

(a) Approximate amounts, rounded to the nearest acre.

(b) Acreage served by water, sewer, and drainage facilities and where the street paving work is completed or substantially completed. Includes approximately 552 acres improved for single family residential use and approximately 81 acres improved for commercial usage.

(c) Generally, includes but is not limited to, acreage along FM 242 that may be developed for commercial purposes in the future; the District makes no representation that such land will ever be developed.

(d) Includes District plant sites, HOA recreational facilities, utility/drainage easements, detention ponds, permanent floodplain areas, street rights-of-ways, and acreage owned by Conroe ISD used for a junior high school sight.

Current Status of Residential Development in the District:

The District's single family building development is comprised of detached single family homes that sell in the $240,000 to $640,000 price range. As of July 1, 2026, there were approximately 2,365 single family homes completed and no homes under construction (approximately 2,335 homes were occupied as of July 1, 2026) and no vacant developed lots.

	Approx. Acreage	Total Lots	Completed Homes	Homes Under Construction	Vacant Developed Lots
Gleneagles, Sections 1 – 3 (a)	161	522	522	0	0
Gleneagles, Section 4a	24	110	110	0	0
Gleneagles, Section 6	26	144	144	0	0
Montgomery Creek Ranch, Sections 1 - 19	251	1205	1205	0	0
Montgomery Creek Ranch, Section 20	11	52	52	0	0
Montgomery Creek Ranch, Section 21	11	57	57	0	0
Montgomery Creek Ranch, Section 22	8	39	39	0	0
Harper's Preserve, Sections 6 & 9	46	190	190	0	0
Harper's Preserve, Sections 23 & 24	14	46	46	0	0
TOTAL	**552**	**2,365**	**2,365** (b)	**0**	**0**

(a) Most of these sections were developed and built out during 1970 – 1990. Acreage includes approximately 10 acres of commercial property.

(b) As of July 1, 2026, there were approximately 2,335 occupied homes in the District.

Existing Commercial Building Development:

The commercial building development currently located in the District includes: two service stations, two fast food restaurants, two commercial strip centers, a tractor supply store, three automotive aftermarket establishments, a car wash, and four small retail businesses', a two story medical office building and two child care centers.

Management of the District:

The District is governed by the Board of Directors, which has control over the management of all affairs of the District. All of the Directors own property and reside within the District. A directors' election is held within the District on the first Saturday in May in even numbered years. Directors are elected to serve four year staggered terms. The current members and officers of the Board are listed below:

Name	Title	Term Expires
Ashley F. Peterson	President	2028
Christina L. Urbano	Vice President	2028
Sandra V. Day	Secretary	2030
Mark A. Galan	Assistant Secretary	2030
Daniel L. Dean	Operator Liaison	2028

Although the District does not have a general manager or any other employees, it has contracted for bookkeeping, tax assessing services, annual auditing of its books and other services as follows:

Tax Assessor/Collector - The District's Tax Assessor/Collector is Tammy McRae who is also the Montgomery County Tax Assessor.

Bookkeeper - The District's accountant/bookkeeper is Myrtle Cruz, Inc., which acts as accountant/bookkeeper for approximately 370 utility districts.

Auditor - The District has engaged Breedlove & Co., P.C., Certified Public Accountant, as auditor. The TCEQ requires that utility districts file annual audits with it. A copy of the District's audited financial report for the year ended June 30, 2025, is included as Appendix A to this Official Statement with the consent of the auditor.

Utility System Operator - The District's operator is Municipal Operator & Consulting, Inc which acts as operator for 751 other utility districts and other municipalities.

Engineer - The consulting engineer for the District is Baxter & Woodson, Inc.

Financial Advisor - The District has engaged The GMS Group, L.L.C., as Financial Advisor for a fee to be computed on each separate issuance of bonds, contingent upon such bonds being delivered.

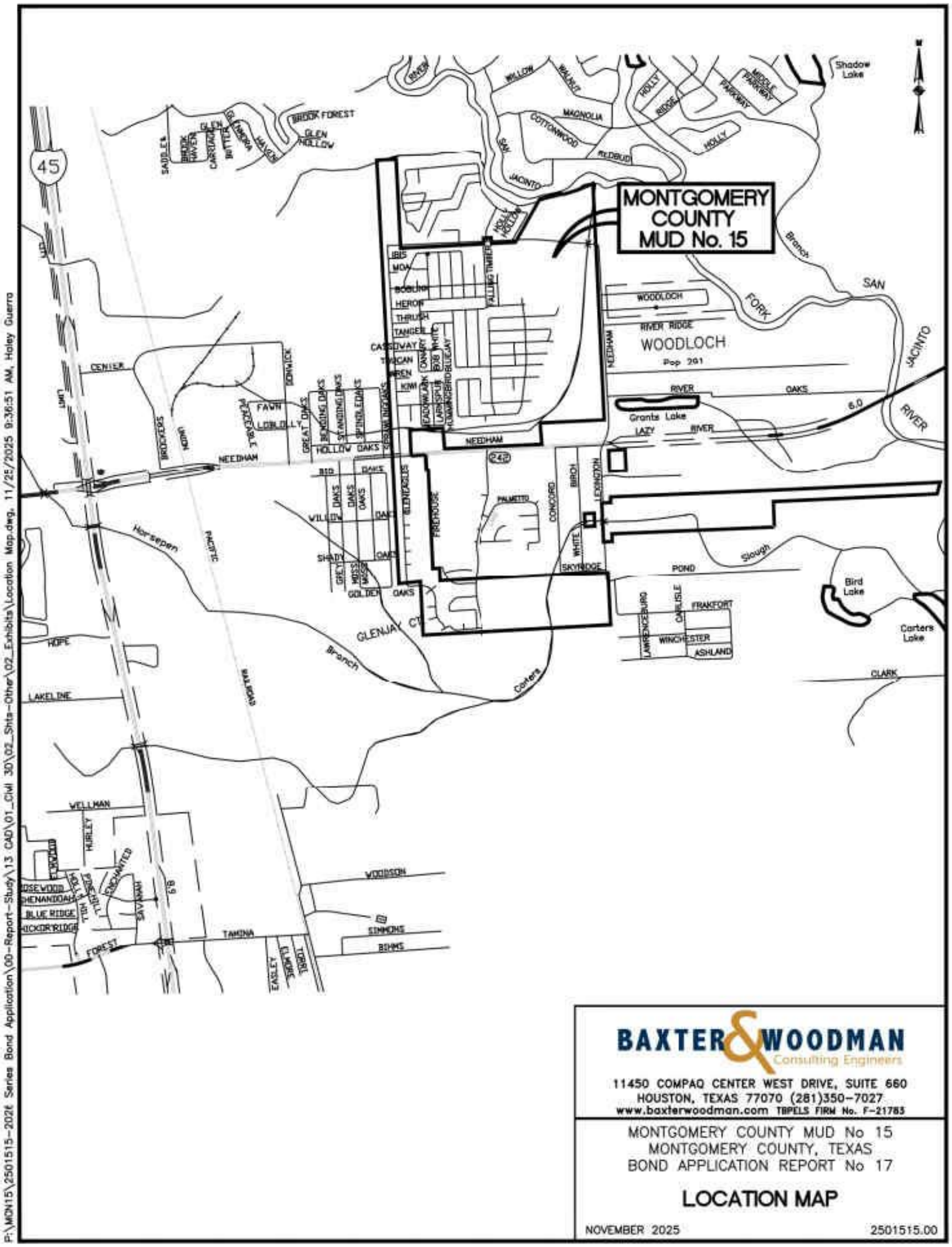
Legal Counsel - The District employs Young & Brooks, Attorneys at Law as Bond Counsel in connection with issuance of the Bonds. The legal fees to be paid Bond Counsel for services rendered in connection with the issuance of the Bonds are based on a percentage of the Bonds actually issued, sold and delivered and, therefore, such fees are contingent on the sale and delivery of the Bonds. Young & Brooks, Attorneys at Law also act as general counsel for the District on matters other than the issuance of bonds.

Disclosure Counsel - Norton Rose Fulbright US LLP, Houston, Texas, has been engaged by the District to serve 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. Fees of the Disclosure Counsel will be paid from proceeds of the Bonds and are contingent upon the sale and delivery of such Bonds.

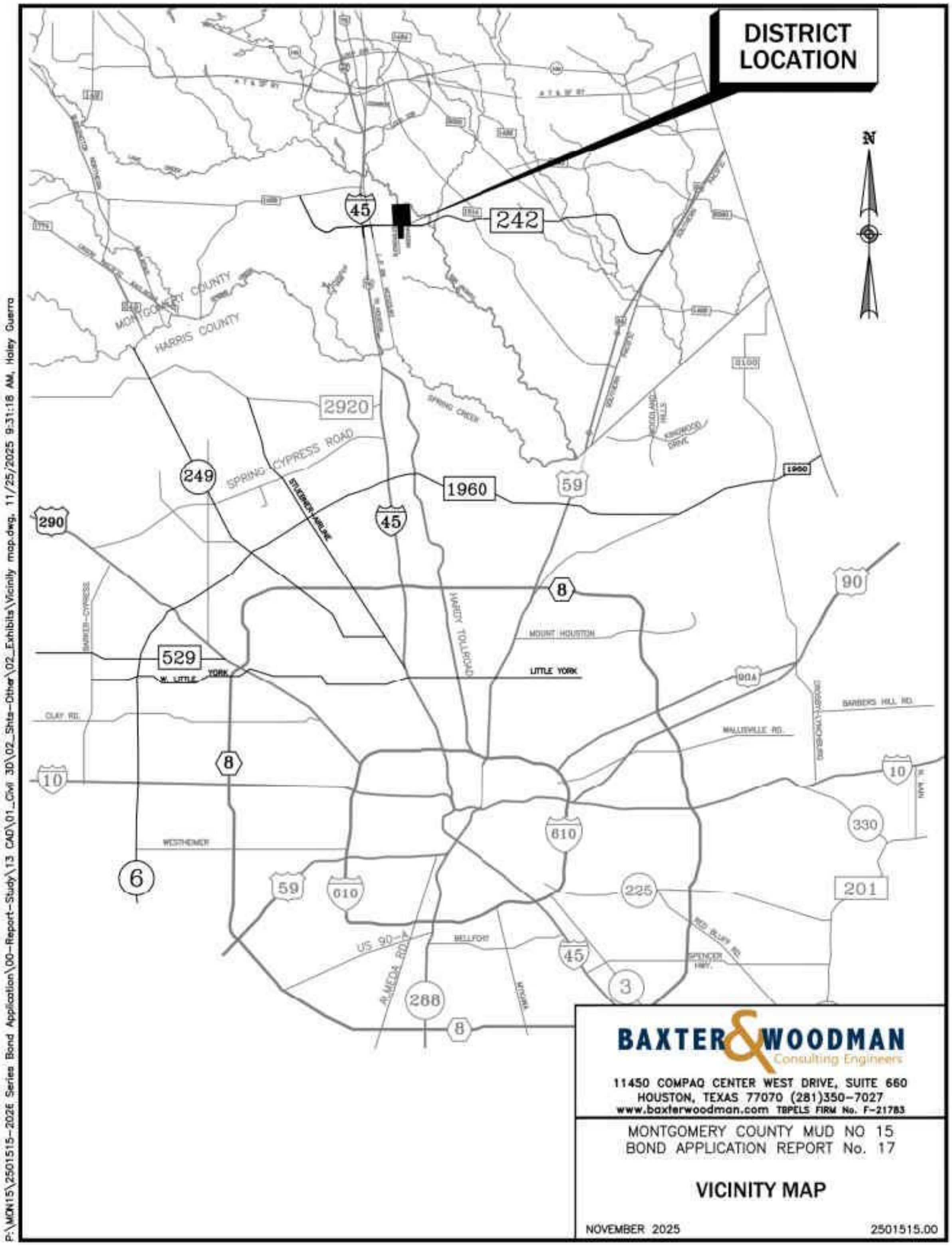
District Investment Policy:

The District had adopted an Investment Policy as required by the Public Funds Investment Act, Chapter 2256, Texas Government Code. The District's goal is to preserve principal and maintain liquidity while securing a competitive yield on its portfolio. Funds of the District are invested in short-term obligations of the U.S. Treasury and federal agencies, 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 or intend to purchase long-term securities or derivative products.

Location Map:



Vicinity Map



THE SYSTEM

Regulation:

The District's share of the cost of water, wastewater and storm drainage facilities has been financed with proceeds of the Outstanding Bonds; such facilities have been designed in accordance with accepted engineering practices and the recommendations of certain governmental agencies having regulatory or supervisory jurisdiction over the construction and operation of such facilities including, among others, the TCEQ and Montgomery County.

Operation of the District's waterworks and wastewater facilities are subject to regulation by, among others, the United States Environmental Protection Agency, the TCEQ and the Texas Department of Health. In many cases, regulations promulgated by these agencies have become effective only recently and are subject to further development and revision.

Description of the System:

- Water Supply -

The District's source of water is provided by three existing wells which have a total capacity of 2,126 gpm including: 740,000 gallons of ground storage tank capacity, hydropneumatic tanks totaling 45,000 gallons, and booster pumps with a total rated capacity of 6,200 gpm. According to TCEQ criteria, the District’s water supply facilities have capacity to serve 3,176 equivalent single family connections, 400 of which are committed to Montgomery County Municipal Utility District No. 95 under the terms of the Agreement (as defined herein and discussed below). (The District’s water supply system is currently operating at approximately 50% of capacity). See “Agreement with Montgomery County Municipal Utility District No. 95”.

- Wastewater Treatment -

The District’s existing wastewater treatment plant has a total of 600,000 gpd of treatment capacity. According to the District’s Engineer, this capacity is anticipated to accommodate approximately 2,222 equivalent single-family connections (“ESFCs”) according to the TCEQ’s approved regulatory flow rates of 270 gpd/ESFC. The District’s actual flow rate is less than the TCEQ’s approved regulatory flow rate; with the expansion to 900,000 gpd of treatment capacity the District will have adequate capacity to serve the additional connections to be added to the system for the foreseeable future. The wastewater treatment plant expansion is being financed in part with proceeds of the Bonds.

Approximately 400 ESFCs have been committed to Montgomery County Municipal Utility District No. 95 under the terms of the Agreement discussed below. See “Agreement with Montgomery County Municipal Utility District No. 95”.

The District has designed a 300,000 gallon per day expansion to the District’s wastewater treatment plant. Upon completion of such expansion the District will own wastewater treatment plant capacity capable of serving approximately 3,333 ESFC’s.

- Drainage System -

The drainage of the entire District is distributed through two drainage ditches to the West Fork of the San Jacinto River. When a rainfall event occurs, the rain flows overland and within a storm sewer system ranging in size from 24 to 72 inches in diameter; the storm sewer is relieved at various locations with manmade drainage channels. The southern portion of the District, south of Highway 242, the area drains north to a drainage ditch just north of Highway 242. This drainage ditch drains northward to San Jacinto River. The area contained by Gleneagles, Section 4A and Highway 242 also drains to the same drainage ditch. Gleneagles, Section 4A and Section 6 are directed to a different manmade drainage ditch that joins the first drainage ditch and both drain to the San Jacinto River. Drainage for Montgomery Creek Ranch, Sections 1 – 12 and 14 - 16 is directed to a man-made drainage ditch that joins the San Jacinto River. Gleneagles, Section 3 drains to the south out of the District to a drainage ditch that flows to the San Jacinto River.

According to the District’s Engineer, approximately 252 acres in the District are located in the 100-year flood plain. Approximately 100 acres are located in developed sections of the District; the lots/tracts of land in the developed sections have been elevated and removed from the 100-year flood plain. Approximately 152 acres are in the flood plain/floodway and represent a portion of the undevelopable land within the District.

- Agreement with Montgomery County Municipal Utility District No. 95 -

The District has entered into a 50-year Waste Disposal, Water Supply and Drainage Services Agreement (the “Agreement”) with Montgomery County Municipal Utility District No. 95 (“MUD 95”). Under the terms of the Agreement, MUD 95 purchases capacity in and agrees to contribute to future operation and maintenance costs of the District’s water supply and distribution and wastewater treatment and collection systems, and the District purchases capacity in and agrees to contribute to future operation and maintenance costs of the MUD 95 drainage channel that serves MUD 95 and the District.

Groundwater Regulation; GRP Contract:

In 2001, the Texas Legislature created the Lone Star Groundwater Conservation District (the "Conservation District") to manage and protect Montgomery County's groundwater aquifers. The District is located within the boundaries of the Conservation District and, therefore, the withdrawal of groundwater by the District's water wells is subject to permitting and regulation by the Conservation District.

- Groundwater Regulation -

In 2009, the Conservation District adopted amendments to its District Regulatory Plan which required large-volume water users in the county, such as the District, to reduce groundwater pumpage and convert to alternative sources of water, including surface water. As described hereinafter, the District entered into a contract with the San Jacinto River Authority (the "Authority") to achieve compliance with such groundwater reduction requirements.

In August of 2015, in City of Conroe, Texas et. al. vs. Richard J. Tram, et. al., filed in the 284th Judicial District Court, Montgomery County, Texas, the City of Conroe, Texas and various investor owned utilities sued the Conservation District and its Board of Directors claiming that the 2009 groundwater reduction requirements adopted by the Conservation District were beyond its legal authority and constitute an unconstitutional taking of the plaintiffs' water. In September 2018, the 284th Judicial District Court ruled that such groundwater reductions requirements were invalid. While the Conservation District initially appealed the ruling, the Conservation District approved a settlement offer with the plaintiffs on January 22, 2019. The settlement was accepted on January 24, 2019, and included the withdrawal of the Conservation District's appeal. On February 5, 2019, the Conservation District issued its notice of impending regulatory changes to comply with that judgment. In addition, in March of 2019, the Conservation District adopted an amended Groundwater Management Plan and submitted the plan to the Texas Water Development Board for review and approval in accordance with the requirements of Chapter 36 of the Texas Water Code. In May of 2019, the Texas Water Development Board rejected the amended Groundwater Management Plan. The Conservation District appealed the rejection of the amended Groundwater Management Plan, and, following mediation, the Conservation District submitted its revised Groundwater Management Plan to the Texas Water Development Board on April 14, 2020. The revised management plan was approved by the Texas Water Development Board on June 4, 2020.

- GRP Contract -

In response to the Conservation District's adoption of groundwater reduction requirements in 2009, the San Jacinto River Authority (the "Authority") developed and adopted a Groundwater Reduction Plan ("GRP") and entered into contracts ("GRP Contracts") with approximately 151 water providers ("GRP Participants") to participate in the Authority's GRP and the related construction of surface water treatment facilities and pipelines to convert the water systems of certain GRP Participants from primarily groundwater supplies to primarily surface water supplies. The Conservation District entered into a GRP Contract with the Authority dated as of February 1, 2014. The Authority has issued, in phases, $554,280,000 principal amount of bonds secured by payments made by the GRP Participants ("GRP Fees"), which payments consist of (i) a fee on groundwater withdrawals by GRP Participants ("Pumpage Fee"), and/or (ii) a fee on surface water delivered by the Authority to certain GRP Participants ("Surface Water Fee"). GRP Participants, such as the District, are obligated by the GRP Contracts to make payments to the Authority sufficient to provide for the payment of the outstanding GRP Division bonds pursuant to such contracts. The Conservation District's Pumpage Fee is $0.085 per 1,000 gallons and the current Surface Water Fee to $3.15 per 1,000 gallons.

At this time, no evaluation can be made as to the outcome of the above lawsuit or the impacts on the Authority and the resultant impact on GRP Participants such as the District.

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 General Fund (water and sewer system operations) is provided for information purposes only.

	FISCAL YEAR ENDING JUNE 30 (a)				
	2025	2024	2023	2022	2021
REVENUES					
Maintenance taxes	$1,564,525	$1,481,438	$1,384,724	$1,193,031	$1,053,636
Water service	$477,640	$520,546	$488,979	$385,993	$363,539
Wastewater service	$868,356	$1,101,287	$1,024,889	$1,003,691	$993,331
Regional water authority	$539,459	$637,426	$604,295	$477,134	$421,492
Penalty and interest	$32,755	$38,399	$36,522	$24,011	$31,403
Payments in lieu of taxes	$74,096	$0	$0	$0	$0
Solid waste service	$283,117	$0	$0	$0	$0
Reconnection fee	$19,870	$21,030	$20,784	$14,480	$12,005
Tap connection fees	$0	($110)	$12,145	$111,841	$22,820
Interest of temporary investments	$233,265	$229,007	$150,432	$9,300	$4,754
Miscellaneous income	$59,374	$129,550	$19,513	$19,906	$14,040
TOTAL REVENUES	**$4,152,457**	**$4,158,573**	**$3,742,283**	**$3,239,387**	**$2,917,020**
EXPENDITURES					
Bulk water and sewer purchases	$1,357,395	$1,342,836	$1,436,056	$1,622,586	$967,732
Professional fees	$330,823	$247,229	$181,829	$356,608	$396,581
Purchased and contracted services	$664,211	$633,569	$494,445	$528,579	$466,393
Recurring operating expenditures	$252,835	$271,599	$207,242	$112,804	$189,441
Repairs and maintenance	$348,483	$430,662	$468,268	$448,536	$257,274
Utilities	$5,851	$6,625	$12,975	$38,143	$74,519
Capital outlay	$94,727	$204,155	$140,925	$0	$427,266
TOTAL EXPENDITURES	**$3,054,325**	**$3,136,675**	**$2,941,740**	**$3,107,256**	**$2,779,206**
EXCESS REVENUE/EXPENDITURE (b)	**$1,098,132**	**$1,021,898**	**$800,543**	**$132,131**	**$137,814**

(a) Source: District's annual financial statements.

(b) As of June 10, 2026, the cash balance in the General Fund was approximately $8,432,006. For the fiscal year ended June 30, 2026, the District experienced unaudited General Fund revenues of approximately $4,270,000 and unaudited Operating expenditures of approximately $3,015,000. Additionally, the District, spent approximately $135,000 on capital expenditures and special projects from the general fund during fiscal year 2026. For the fiscal year ending June 30, 2027 the District budgeting $4,341,500 of operating revenues and $3,733,682 of operating expenditures. Additionally, $560,000 of capital expenditures that may be funded with District general fund's cash on hand.

THE DEVELOPER

Role of a Developer in a Municipal Utility District:

In general, activities of developers in special utility districts such as the District include defining a marketing program and building schedule, securing necessary governmental approvals and permits, arranging for construction of roads and installation of utilities (including in some cases, a contribution of 30% of the costs of certain water, sewer, and drainage facilities pursuant to the rules of the TCEQ), as well as gas, telephone, and electric service, and selling improved lots and commercial reserves to builders or others. In addition, developers are ordinarily major taxpayers during the development phase of the property within a utility district, and their ability to pay taxes may affect the security of a district's bonds.

The Previous Developers:

- Woodmere Development Co., Ltd. -

Woodmere Development Co., Ltd. ("Woodmere") is the developer of the Montgomery Creek Ranch Subdivision. Woodmere has completed the land development work in Montgomery Creek, Sections 1-12 and 14-22. Woodmere sold 45-foot and 55-foot lots in the subdivision to Long Lake Ltd., dba Foxwood Homes, Postwood Homes, and Briarwood Homes (these homebuilding entities have ownership that is common to Woodmere). Homes were marketed in the Montgomery Creek Ranch Subdivision in the $300,000 - $400,000 price range.

- 242, LLC -

242, LLC ("242") was the developer of the Harper's Preserve, Sections 6, 9, 23 and 24. All of the land development work in these sections has been completed and all of these Sections are built out. Homes in theses sections were marketed in the $420,000 - $490,000 and the $700,000 - $800,000 price ranges.

242 has recently completed the land development work associated with Harper's Preserve, Section 23 (13 lots) and Section 24 (33 lots). Homes in Section 23 are being constructed by MI Homes who will be marketing homes in the $700,000-$800,000 price range. Homes in Section 24 are being constructed by Empire Homes who is marketing homes in the $420,000-$490,000 price range. In addition to certain reimbursements from proceeds of the outstanding Bonds, 242, LLC anticipates additional reimbursement from the District for facilities located in Harper's Preserve Sections 23 and 24.

The Current Developer:

- DAMC Properties, Inc (the "Developer") -

DAMC Properties, Inc (the "Developer") has completed the land development on approximately 16.8 acres of land that is in process of being developed as mixed use commercial development. A portion of the Bonds will be used to reimburse the Developer for a portion of its eligible reimbursable costs insured to date.

DISTRICT DEBT

(unaudited)

2026 Certified Taxable Value	$604,040,081	(a)
2025 Certified Taxable Value	$624,579,539	(b)
Direct Debt		
Outstanding Bonds (As of July 1, 2026)	$35,060,000	
Plus: Series 2026 Bonds	$5,900,000	
Total Direct Debt	$40,960,000	
Estimated Overlapping Debt	$35,138,060	
Direct and Estimated Overlapping Debt	$76,098,060	
Percentage of Direct Debt to:		
2026 Certified Taxable Value	6.78%	
2025 Certified Taxable Value	6.56%	
Percentage of Direct Overlapping Debt to:		
2026 CertifiedTaxable Value	12.60%	
2025 Certified Taxable Value	12.18%	
2025 Tax Rate Per $100 of Assessed Value:		
Debt Service	$0.36	
Maintenance Tax	$0.26	
Total 2025 Tax Rate	$0.62	

(a) Reflects data recently supplied by the Montgomery Central Appraisal District ("MCAD"). The Certified Taxable Value as of January 1, 2026 was prepared by MCAD and provided to the District. Such value includes $550,211,666 of property values that are fully certified and $53,828,415 of taxable value that MCAD believes will ultimately be certified. See "TAX DATA" and "TAX PROCEDURES."

(b) Reflects the January 1, 2025, Certified Taxable Value according to data supplied to the District by the MCAD. See "DISTRICT TAX DATA" and "TAXING PROCEDURES

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 "Texas Municipal Reports" published by the Municipal Advisory Council of Texas, and certain other sources. Except for the amount relating to the District, the District has not independently verified the accuracy or completeness of such information, and no person is entitled to rely upon such information as being accurate or complete. Furthermore, certain of the entities listed below may have issued additional bonds, the amount of which cannot be determined. Political subdivisions overlapping the District are authorized by Texas law to levy and collect ad valorem taxes for operation, maintenance, and/or general revenue purposes in addition to taxes for payment of their debt, and some are presently levying and collecting such taxes.

		Overlapping Debt	
Taxing Jurisdiction	**Outstanding Debt**	**Percent**	**Amount**
Conroe Independent School District	$2,844,260,000	1.11%	$31,448,183
Montgomery County	$535,450,000	0.57%	$3,073,540
Lone Star College System	$342,055,000	0.18%	$616,336
Total Estimated Overlapping Debt	**$3,721,765,000**	**1.86%**	**$35,138,060**
The District's Direct Debt (a)			$40,960,000
Total Direct and Estimated Overlapping Debt			**$76,098,060**

(a) Includes the Bonds.

TAX DATA

Debt Service/Maintenance Tax:

In 2025, the District levied a tax of $0.36 per $100 of assessed valuation for debt service purposes. In addition, the District also levied $0.26 per $100 of assessed valuation for maintenance purposes in 2025. The proceeds of the maintenance tax are deposited into the District's Operating Fund and used to pay certain operating costs. A maintenance tax has been levied in the District since 1995.

Analysis of Tax Base:

Based on information provided to the District by its Tax Assessor/Collector, the following table represents the composition of property comprising the District's gross tax roll valuations and the exemptions (including supplemental adjustments made by MCAD) for 2021 through 2025. See "DISTRICT DEBT."

	Type of Property					
Year	**Land**	**Improvements**	**Personal Property**	**Gross Valuations**	**Exemptions** (a)	**Taxable Valuation** (b)
2026						$604,040,081 (c)
2025	$108,335,685	$654,024,376	$15,500,033	$777,860,094	$153,280,555	$624,579,539
2024	$108,199,379	$649,660,985	$11,352,943	$769,213,307	$155,581,230	$613,632,077
2023	$108,224,718	$664,181,359	$9,914,939	$782,321,016	$181,343,761	$600,977,255
2022	$108,526,518	$593,340,504	$7,738,919	$709,605,941	$173,324,772	$536,281,169
2021	$82,203,904	$442,382,010	$6,634,239	$531,220,153	$84,703,528	$446,516,625

(a) A majority of the exemptions is a result of the 20% Homestead Exemption granted to homeowners by the District.

(b) Reflects the gross Assessed Valuation supplied by MCAD, less exemptions.

(c) Reflects data recently supplied by MCAD. The Certified Taxable Value as of January 1, 2026 was prepared by MCAD and provided to the District. Such value includes $550,211,666 of property values that are fully certified and $53,828,415 of taxable value that MCAD believes will ultimately be certified. The District is authorized by law to levy taxes only against certified values.

Tax Distribution:

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

	2025	2024	2023	2022	2021
Debt Service	$0.3600	$0.3801	$0.3863	$0.4000	$0.4630
Maintenance/Operation	$0.2600	$0.2562	$0.2500	$0.2589	$0.2670
Total	**$0.6200**	**$0.6363**	**$0.6363**	**$0.6589**	**$0.7300**

Principal Taxpayers:

The list of principal taxpayers for 2026 and the other information in this table was provided by MCAD based on certified tax rolls provided net of any exemptions. Such data does not reflect any corrections subsequent to action of the Appraisal District.

Taxpayer	Type of Property	2026 Valuation	% of Total
242 Glen Eagle LP	Land & improvements	$6,373,499	1.16%
BK 8227 LTD	Land & improvements	$4,368,364	0.79%
ExchangeRight Net Leased	Land & improvements	$3,720,705	0.68%
KD Conroe LLC	Land & improvements	$3,500,000	0.64%
Lund Ventures LLC	Land & improvements	$3,328,417	0.60%
Entergy Texas Inc.	Land & improvements	$3,256,400	0.59%
Agree Convenience No. 1 LLC	Land & improvements	$3,201,977	0.58%
BW Conroe Needham LLC	Land & improvements	$2,980,893	0.54%
Tilak Corp	Land & improvements	$2,139,661	0.39%
Centerpoint Energy Entex	Land & improvements	$1,956,100	0.36%
TOTAL		**$34,826,016**	**6.33%**

Levy and Collection:

The following represents the collection history of District taxes:

Tax Year	Taxable Valuation	Tax Rate	Adjusted Levy	Cumulative Collections (a) Dollars	Percent
2025	$624,579,539	$0.6200	$3,872,393	$3,813,999	98.49%
2024	$613,632,077	$0.6363	$3,904,541	$3,886,611	100%
2023	$600,977,255	$0.6363	$3,824,018	$3,811,026	100%
2022	$536,281,169	$0.6589	$3,533,557	$3,528,261	100%
2021	$446,516,625	$0.7300	$3,259,571	$3,256,641	100%

(a) Represents the cumulative tax collections as of May 31, 2026. According to the tax collector's office the current tax collections have been 96% or better each year for the past several years.

(b) The 2025 taxes were due on or before January 31, 2026.

Tax Rate Calculations:

The tax rate calculations set forth below are presented to indicate the tax rates per $100 assessed valuation which would be required to meet certain debt service requirements if no growth in the District occurs beyond the dates noted on the table below. The foregoing further assumes collection of 95% of taxes levied, and assumes the issuance of the Bonds but no additional bonds.

Maximum Debt Service Requirements (2034) ……………………………………………………$3,047,624

Tax Rate of $0.54 on the 2026 Certified Taxable Value (a)(b) produces……………..………..……$3,098,726

Tax Rate of $0.52 on the 2025 Certified Taxable Value (a) produces……………..………….………$3,085,423

(a) Preliminary, subject to change. All calculations based upon the Taxable Values of the District. The Board has adopted a 20% homestead exemption each year since 1987.

(b) Reflects data recently supplied by MCAD. The Certified Taxable Value as of January 1, 2026 was prepared by MCAD and provided to the District. Such value includes $550,211,666 of property values that are fully certified and $53,828,415 of taxable value that MCAD believes will ultimately be certified.

Estimated Overlapping Taxes:

Property within the District is subject to taxation by several taxing authorities in addition to the District. Under Texas law, a tax lien attaches to property to secure the payment of all taxes, penalty and interest for the year, on January 1, of that year. The tax lien on property in favor of the District is on parity with tax liens of other taxing jurisdictions. See "TAXING PROCEDURES." In addition to ad valorem taxes required to make debt service payments on bonded debt of the District and of such other jurisdictions (see "DISTRICT DEBT -- Estimated Overlapping Debt"), certain taxing jurisdictions are authorized by Texas law to assess, levy and collect ad valorem taxes for operation, maintenance, administrative and/or general revenue purposes.

Set forth below are all 2025 taxes levied by such taxing jurisdictions, assuming each assesses at 100% basis of assessment. No recognition is given to local assessments for civic association dues, fire department contributions, solid waste disposal charges, or any other levy of entities other than political subdivisions.

Taxing Jurisdictions	**2025 Tax Rate Per $100 Assessed Valuation**
Conroe ISD	$0.94960
Montgomery County	$0.37700
Montgomery County Hospital District	$0.04730
Lone Star College System	$0.10600
Emergency Service Dist. No. 4	$0.10000
Overlapping Taxing Jurisdictions	**$1.57990**
The District	$0.62000
Estimated Total Tax Rate	**$2.19990**

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 (see "RISK FACTORS – Future Debt") and to pay the expenses of assessing and collecting such taxes. The District agrees in the Bond Order to levy such a tax from year to year as described more fully in this Official Statement under the caption "THE BONDS – Sources 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 (see "TAX DATA – Maintenance Tax") and for the payment of certain contractual obligations, if authorized by the voters in the District.

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 Montgomery Central Appraisal District (the "Appraisal District") has the responsibility for appraising property for all taxing units within Montgomery County, including the District. Such appraisal values are subject to review and change by the Montgomery County Appraisal Review Board (the "Appraisal Review Board").

Property Subject to Taxation by the District:

General. Except for certain exemptions provided by Texas law, all real property, tangible personal property held or used for the production of income, mobile homes, and certain categories of intangible personal property with a tax situs in the District are subject to taxation by the District. Principal categories of exempt property include, but are not limited to: property owned by the State of Texas or its political subdivisions if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies, and personal effects; certain goods, wares, and merchandise in transit; farm products owned by the producer; certain property of charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites, and most individually owned automobiles. In addition, the District may by its own action exempt residential homesteads of persons sixty-five (65) years or older and of certain disabled persons, to the extent deemed advisable by the Board. The District has granted a $30,000 residential homestead exemption for the disabled and for over-65 individuals. 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 twenty percent (20%) of the number of qualified voters who voted in the preceding election. The District is authorized by statute to disregard exemptions for the disabled and elderly if granting the exemption would impair the District's obligation to pay tax-supported debt incurred prior to adoption of the exemption by the District. Furthermore, the District must grant exemptions to disabled veterans or certain surviving dependents of disabled veterans, if requested, to between $5,000 and $12,000 depending on the disability rating of the veteran. A veteran who receives a disability rating of 100% is entitled to an exemption for the full amount of the veteran's residence homestead. Additionally, subject to certain conditions, the surviving spouse of a disabled veteran who is entitled to an exemption for the full value of the veteran's residence homestead is also entitled to an exemption from taxation of the total appraised value of the same property to which the disabled veteran's exemption applied. A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran's disability rating if (i) the residence homestead was donated by a charitable organization at no cost to the disabled veteran, or (ii) the residence was donated by a charitable organization at some cost to the disabled veteran if such cost is less than or equal to fifty percent (50%) of the total good faith estimate of the market value of the residence as of the date the donation is made. Also, the surviving spouse of (i) a member of the armed forces, or (ii) a first responder as defined under Texas law, 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. 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 spouse.

Residential Homestead Exemptions. The Property Tax Code authorizes the governing body of each political subdivision in the State of Texas to exempt up to twenty percent (20%) of the appraised value of residential homesteads from ad valorem taxation. Where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged, if the cessation of the levy would impair the obligations of the contract by which the debt was created. The adoption of a homestead exemption may be considered each year, but must be adopted by May 1. The District has granted a 20% residential homestead exemption each year since 1987.

Freeport Goods and Goods-in-Transit Exemptions. A "Freeport Exemption" applies to goods, wares, ores, and merchandise other than oil, gas, and petroleum products (defined as liquid and gaseous materials immediately derived from refining petroleum or natural gas), and to aircraft or repair parts used by a certified air carrier acquired in or imported into Texas which are destined to be forwarded outside of Texas and which are detained in Texas for assembling, storing, manufacturing, processing or fabricating for less than 175 days. Although certain taxing units may take official action to tax such property in transit and negate such exemption, the District does not have such an option. A "Goods-in-Transit" Exemption is applicable to the same categories of tangible personal property which are covered by the Freeport Exemption, if, for tax year 2011 and prior applicable years, such property is acquired in or imported into Texas for assembling, storing, manufacturing, processing, or fabricating purposes and is subsequently forwarded to another location inside or outside of Texas not later than 175 days after acquisition or importation, and the location where said property is detained during that period is not directly or indirectly owned or under the control of the property owner. For tax year 2012, and subsequent years, such Goods-in-Transit Exemption is limited to tangible personal property acquired in or imported into Texas for storage purposes only if such property is stored under a contract of bailment by a public warehouse operator at one or more public warehouse facilities in Texas that are not in any way owned or controlled by the owner of such property for the account of the person who acquired or imported such property. A property owner who receives the Goods-in-Transit Exemption is not eligible to receive the Freeport Exemption for the same property. Local taxing units such as the District may, by official action and after public hearing, tax goods-in-transit personal property. A taxing unit must exercise its option to tax goods-in-transit property before January 1 of the first tax year in which it proposes to tax the property at the time and in the manner prescribed by applicable law. The District has taken official action to allow taxation of all such goods-in-transit personal property, but may choose to exempt same in the future by further official action.

Tax Abatement:

Montgomery County may designate all or part of the area within the District as a reinvestment zone. The District, at its option and discretion, 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. The terms of all tax abatement agreements must be substantially the same.

Valuation of Property for Taxation:

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

The Property Tax Code 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 are valued at the price all such property would bring if sold as a unit to a purchaser who would continue the business. Provisions of the Property

Tax Code are complex and are not fully summarized here. Landowners wishing to avail themselves of the agricultural use, open space, or timberland designation or residential real property inventory designation must apply for the designation, and the appraiser is required by the Property Tax Code to act on each claimant's right to the designation individually. If a landowner of qualified open-space land is a member of the U.S. armed forces, subject to certain conditions, the appraisal of the land as qualified open-space land does not change while the landowner is deployed or stationed outside of Texas. 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- 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. 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, which may be rejected by taxing units. The District's tax collector is required to enter into an installment payment agreement with any person who is delinquent on the payment of tax on a residence homestead for payment of tax, penalties and interest, if the person requests an installment agreement and has not entered into an installment agreement with the collector in the preceding 24 months. The installment agreement must provide for payments to be made in monthly installments and must extend for a period of at least 12 months and no more than 36 months. Additionally, the owner of a residential homestead property who is (i) 65 years of age or older, (ii) disabled, or (iii) a disabled veteran, is entitled by law to pay current taxes on a residential homestead in installments without penalty or to defer the payment of taxes during the time of ownership. In the instance of tax deferral, a tax lien remains on the property and interest continue to accrue during the period of deferral.

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 "Low Tax Rate Districts." Districts that have financed, completed, and issued bonds to pay for all improvements and facilities necessary to serve at least 95% of the projected build-out of the district are classified as "Developed Districts." Districts that do not meet either of the classifications previously discussed are classified herein as "Developing Districts." The impact each classification has on the ability of a district to increase its maintenance and operations tax rate pursuant to SB 2 is described for each classification below.

Low Tax Rate Districts. Low Tax Rate Districts that adopt a total tax rate that would impose more than1.08 times the amount of the total tax imposed by such district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead, subject to certain homestead exemptions, are required to hold a rollback election within the district to determine whether to approve the adopted total tax rate. If the adopted total tax rate is not approved at the election, the total tax rate for a Low Tax Rate District is the current year's debt service and contract tax rate plus the operation and maintenance tax rate that would impose 1.08 times the amount of operation and maintenance tax imposed by the district in the preceding tax year on a residence homestead appraised at the average appraised value of a resident homestead in the district in that year, subject to certain homestead exemptions.

Developed Districts. Developed Districts that adopt a total tax rate that would impose more than 1.035 times the amount of the total tax imposed by the district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead, subject to certain homestead exemptions for the preceding tax year, plus any unused increment rates, as calculated and described in Section 26.013 of the Property Tax Code, are required to hold a rollback election within the district to determine whether to approve the adopted total tax rate. If the adopted total tax rate is not approved at the election, the total tax rate for a 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 Low Tax Rate District and a Developed District, the district will be subject to the operation and maintenance tax threshold applicable to Low Tax Rate Districts.

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

The District. A determination as to a district's status as a Low Tax Rate District, Developed District, or Developing District will be made on an annual basis, at the time a district sets its tax rate, beginning with the 2020 tax rate. The District is designated a Developing District for the 2026 tax year. 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 rollback election calculation.

District's Rights in the Event of Tax Delinquencies:

Taxes levied by the District are a personal obligation of the owner of the property as of January 1 of the year for which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all state and local taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of the State of Texas and each local taxing unit, including the District, having power to tax the property. The District's tax lien is on parity with 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.

Except with respect to owners of residential homestead property who are: (i) 65 years of age or older or under a disability as described above and who have filed an affidavit as required by law; and (ii) owners of residential homesteads who have entered into an installment agreement with the District for payment of delinquent taxes as described above and who are not in default under said agreement, 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, or by taxpayer redemption rights (a taxpayer may redeem property that is a residence homestead or was designated for agricultural use within two years after the deed issued at foreclosure is filed of record and may redeem all other property within six months after the deed issued at foreclosure is filed of record) or by bankruptcy proceedings which restrict the collection of taxpayer debt. The District's ability to foreclose its tax lien or collect penalties and interest may be limited on property owned by a financial institution which is under receivership by the Federal Deposit Insurance Corporation pursuant to the Federal Deposit Insurance Act, 12 U.S.C. 1825, as amended. Generally, the District's tax lien and a federal tax lien are on par with the ultimate priority being determined by applicable federal law. See "RISK FACTORS – Tax Collection Limitations."

ANNEXATION AND CONSOLIDATION

Annexation:

The District is located within the extraterritorial jurisdiction of the City of Conroe, Texas. Texas law provides that under certain circumstances, land within the District may be annexed by the City of Conroe without the consent of the District, which annexation could modify the sources of and security for payment of the Bonds. If the entire District is so annexed, the City of Conroe must assume the District's assets and obligations (including the Bonds) and abolish the District. No representation is made that the City of Conroe will ever annex all or part of the territory within the District and assume payment of the Bonds. Moreover, no representation is made concerning the ability of Conroe to make debt service payments should assumption of the Bonds occur.

Consolidation:

A district (such as 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, with the water and wastewater systems of districts with which it is consolidating as well as its liabilities (which would include the Bonds). No representation is made concerning the likelihood of consolidation.

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 Young & Brooks ("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 to the effect that the interest on the Bonds is exempt from federal income taxation under existing statutes, regulations, published rulings and court decisions. Such opinions express no opinion with respect to the sufficiency of the security for or the marketability of the Bonds.

Legal Review:

Bond Counsel has reviewed the information appearing in the Official Statement under the captions “REGISTRATION,” “THE BONDS,” “THE DISTRICT – General,” “TAXING PROCEDURES,” “ANNEXATION AND CONSOLIDATION,” “LEGAL MATTERS” (as it relates to the opinion of bond counsel), “TAX MATTERS,” and "CONTINUING DISCLOSURE OF INFORMATION" (except for the subsection “Compliance with Prior Undertakings”) solely to determine whether such information, insofar as it relates to matters of law, fairly summarizes the procedures 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.

Young & Brooks act 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.

No-Litigation Certificate:

On the date of delivery of the Bonds to the Underwriter, the District will execute and deliver to the Underwriter, a certificate to the effect that no litigation of any nature has been filed or is pending, as of that date, of which the District has notice, to restrain or enjoin the issuance or delivery of the Bonds, or which would affect the provisions made for their payment or security, or in any manner question the validity of the Bonds.

TAX MATTERS

Opinion:

On the date of initial delivery of the Bonds, Young & Brooks, Houston, Texas, Bond Counsel, will render its opinion that, in accordance with statues, regulations, published rulings and court decisions existing on the date thereof (“Existing Law”), (1) interest on the Bonds for federal income tax purposes will be excludable from the “gross income” of the holders thereof and (2) the Bonds will not be treated as “specified private activity bonds” the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the “Code”).

Except as stated above, Bond Counsel will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Bonds. In rendering its opinion, Bond Counsel will rely upon (a) certain information and representations of the District, including information and representations contained in the District's federal tax certificate, and (b) covenants of the District contained in the Bond documents relating to certain matters, including arbitrage and the use of the proceeds of the Bonds and the property financed or refinanced therewith. Failure by the District to comply with the aforementioned representations or covenants could cause the interest on the Bonds to become includable in gross income retroactively to the date of issuance.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The opinion of Bond Counsel is conditioned on compliance by the Issuer with such requirements, and Bond Counsel has not been retained to monitor compliance with these requirements subsequent to the issuance of the Bonds.

Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the reliance on the aforementioned information, representations and covenants. Bond Counsel's opinion is not a guarantee of a result. The Existing Law is subject to change by the Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that such Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Bonds.

A ruling was not sought from the Internal Revenue Service by the District with respect to the Bonds or the Project. No assurances can be given as to whether the Internal Revenue Service will commence an audit of the Bonds, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an Internal Revenue Service audit is commenced, under current procedures the Internal Revenue Service is likely to treat the District as the taxpayer and the Bondholders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

Federal Income Tax Accounting Treatment of Original Issue Discount:

The initial public offering price to be paid for one or more maturities of the Bonds (the "Original Issue Discount 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 accrual period or be in excess of one year. In such event, 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 would constitute original issue discount. 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, any owner who has purchased such Original Issue Discount Bond in the initial public offering 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 accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

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 the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount 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 the treatment 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.

Collateral Federal Income Tax Consequences:

The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Bonds. This discussion is based on existing statutes, regulations, published rulings and court decisions, all of which are subject to change or modification, retroactively.

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with accumulated earnings and profits and excess passive investment income, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium assistance credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE BONDS.

Interest on the Bonds may be includable in a corporation's "adjusted financial statement income" determined under section 56A of the Code to calculate the alternative minimum tax imposed on certain corporations by section 55 of the Code.

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.

Information Reporting and Backup Withholding:

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Bonds will be sent to each registered holder and to the Internal Revenue Service. Payments of interest and principal may be subject to backup withholding under section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates, and trusts, and in certain circumstances, and in respect of Non-U.S. Holders, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

Qualified Tax-Exempt Obligations for Financial Institutions:

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

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

such obligations might fail to satisfy the $10,000,000 limitation and the Bonds would not be "qualified tax-exempt obligations."

CONTINUING DISCLOSURE OF INFORMATION

In the Bond 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 specified material events, to the Municipal Securities Rulemaking Board (the "MSRB") or any successor to its functions as a repository through its Electronic Municipal Market Access ("EMMA") system.

Annual Reports:

The District will provide certain updated financial information and operating data annually. The information to be updated with respect to the District includes the quantitative financial information and operating data of the general type included in the District's audited financial statements and supplemental schedules as found in this Official Statement under the headings "SELECTED FINANCIAL INFORMATION," "TAX DATA," to the extent available, and "APPENDIX A - ANNUAL FINANCIAL REPORT." The District will update and provide this information within six months after the end of each of its fiscal years ending in and after 2026.

The District may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by SEC Rule 15c2-12. The updated information will include audited financial statements if it commissions an audit and the audit is completed by the required time. If the audit of such financial statements is not complete within such period, then the District shall provide unaudited financial statements for the applicable fiscal year to the MSRB 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 June 30. Accordingly, it must provide updated information by December 31 in each year, unless the District changes its fiscal year. If the District changes its fiscal year, it will notify the MSRB of the change.

Event Notices:

The District will provide timely notices of certain 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; (13) consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District, if material, or agreements to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the District, any of which reflect financial difficulties. The term "financial obligation" when used in this paragraph shall have the meaning ascribed to it under SEC Rule 15c2-12 (the "Rule"). The term "material" when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Order makes any provision for debt service reserves, liquidity enhancement, the pledge of property (other than ad valorem tax and net system revenues) to secure payment of the Bonds, or appointment of a trustee. Further, with respect to the Bonds, there are no "obligated persons" within the meaning of the Rule other than the District. 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 information only to the MSRB. Investors will be able to access, without charge from the MSRB, continuing disclosure information filed with the MSRB through its EMMA system at www.emma.msrb.org.

Limitations and Amendments:

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

The District may amend its continuing disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the District, if but only if (1) the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering made hereby in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the holders of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or (b) any person unaffiliated with the District (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the Registered Owners and beneficial owners of the Bonds. The District also may amend or repeal the agreement in the Bond Order if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid or unenforceable, but only to the extent that its right to do so would not prevent the Underwriter from lawfully purchasing the Bonds in the initial offering. If the District so amends the agreement, it has agreed to include with any financial information or operating data next provided in accordance with its agreement described above under “Annual Reports” an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating so provided.

Compliance with Prior Undertakings:

The District has been in compliance in all material respects with all continuing disclosure agreements made by it in connection with SEC Rule 15c2-12 for the last five years.

OFFICIAL STATEMENT

Sources of Information:

The information contained in this Official Statement has been obtained primarily from the District's records, the Engineer, the Montgomery County Tax Office, MCAD, and other sources which are believed reliable, but the District makes no representation 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 this Official Statement are included herein subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents for further information.

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

Financial Advisor:

The Official Statement was compiled and edited under the supervision of the District’s Financial Advisor, The GMS Group, L.L.C. The fees to be paid the Financial Advisor for services rendered in connection with the issuance and sale of the Bonds are based on a percentage of the Bonds actually issued, sold and delivered and therefore such fees are contingent on the sale and delivery of the Bonds.

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, to the description of the System, and, in particular, that engineering related information included in the sections entitled “THE DISTRICT – General” “ – Summary of Land Use,” “ - Current Status of Single Family Residential Development in the District” and “THE SYSTEM” has been provided by Baxter & Woodson, Inc and has been included in reliance upon the authority of such firm as an expert in the field of civil engineering.

Tax 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 Montgomery County Appraisal District and by Ms. Tammy J. McRae, the District's Tax Assessor/Collector, in reliance upon their authority as experts in the field of tax assessing and appraising.

Auditors: The financial statements of the District and the accompanying report by Breedlove & Co., P.C., Certified Public Accountants, as shown in Appendix A, have been published with the consent of such firm.

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.

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 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 Young & Brooks, Attorneys at Law, 10000 Memorial Drive, Suite 260, Houston, Texas 77024.

Certification as to Official Statement:

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

This Official Statement was approved by the Board of Directors of Montgomery County Municipal Utility District No. 15 as of the date shown on the cover page.

APPENDIX A

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT No. 15
MONTGOMERY COUNTY, TEXAS
ANNUAL FINANCIAL REPORT

JUNE 30, 2025

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 15

REPORT ON FINANCIAL STATEMENTS
(With Supplemental Material)

YEAR ENDED JUNE 30, 2025

BREEDLOVE & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

TABLE OF CONTENTS

BREEDLOVE & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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Spring, Texas 77379
(281) 379-1065
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JILL A. HENZE, CPA
President

NICOLE BREEDLOVE HUNT, CPA
CEO

INDEPENDENT AUDITORS' REPORT

November 12, 2025

Board of Directors
Montgomery County Municipal Utility District No. 15
Montgomery County, Texas

Opinion

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Montgomery County Municipal Utility District No. 15, as of and for the year ended June 30, 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, each major fund, and the aggregate remaining fund information of Montgomery County Municipal Utility District No. 15, as of June 30, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Montgomery County Municipal Utility District No. 15, 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 opinion.

Responsibilities of Management for the Financial Statements

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

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 Montgomery County Municipal Utility District No. 15'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.

Auditors' 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 auditors' 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 Montgomery County Municipal Utility District No. 15'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 Montgomery County Municipal Utility District No. 15's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison on pages 5 through 8 and 27 through 29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Montgomery County Municipal Utility District No. 15's basic financial statements. The supplementary information 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 information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Breedlove & Co., P.C.

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 15

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025

In June 1999, the Governmental Accounting Standards Board (GASB) adopted Statement 34, Basic Financial Statements, and Management Discussion and Analysis, for State and Local Governments. This standard requires that a "Management Discussion and Analysis" of the district be included with its annual audit and basic financial statements. Montgomery County Municipal Utility District 15 (MUD 15) implemented GASB 34 for the first time supplementing the audit for fiscal year ending June 30, 2004, as required.

GOVERNMENTAL FUND STRUCTURE

MUD 15 has four types of funds, which are:

- Debt Service - used to collect, hold, and pay long-term debt principal and interest payments;
- Capital Projects - dedicated to the construction or acquisition of capital facilities and improvements;
- General Operating - are all revenues and expenditures not listed in other funds; and
- Special Revenue - used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The debt service fund is divided into two different types of accounts: TexPool, which is an investment pool controlled by the state, and a money market account.

The capital project fund is a repository for large projects and capital acquisitions. The account includes monies received and paid out using bond series 2022, 2021, 2018A, 2017, and 2016 proceeds for new developments and series 2021 proceeds for wastewater treatment plant expansion. The general operating fund is maintained in TexPool and a money market. Moneys are transferred in and out of these accounts and the general operating checking account monthly as required.

The special revenue funds are maintained in checking accounts. Moneys are collected for bulk water and sewer sales and expensed for maintenance of joint water plant and joint wastewater treatment plant facilities.

FINANCIAL ANALYSIS AND HIGHLIGHTS

This district maintained a debt service tax rate at $0.3801 and $0.3863 per $100 valuation in 2024 and 2023, respectively. The 2025 debt service will be $0.36 per $100 valuation. The average annual debt service decreased over the prior year (approximately $1,921,600/year at June 30, 2025).

During the June 30, 2010 fiscal year, the district entered into an agreement with MUD 95 to supply water and wastewater services to their district. In the current year the district collected monies from MUD 95 that are being used for wastewater plant expansion. In addition, the district set up two special revenue funds to account for the joint water plant and joint wastewater plant facilities with MUD 95. Standard & Poor's gave the series 2022, 2021A, 2021, 2018A, 2018, 2017, 2016A, and 2016 bonds a BBB rating which indicates good financial strength.

CAPITAL ASSETS ANALYSIS AND HIGHLIGHTS

MUD 15 was created in 1972 and encompasses 831.7839 acres. Of these, 637 acres are either developed or can be developed. This is equivalent to an estimated 1,512 connections. The remaining 194 acres are either in a floodway, ditch, detention pond, parks water or wastewater treatment plants.

The district sold its first bonds in June of 1973 and at the end of fiscal year 2025 had an outstanding debt of $36,540,000.

The following is a synopsis of the district's capital assets:

- Underground Facilities:

  A large portion of the district's underground infrastructure dates back to its first bond and the subsequent bond sales in the early 80s. Generally, the district's underground facilities are considered aging, and major repairs are being encountered. The District has implemented a rehabilitation program to make needed repairs in a cost-effective manner.

- Wastewater Treatment Plant:

  The original wastewater treatment plant (WWTP) was replaced in 1997 and was increased to 300 thousand gallons per day (MGPD) in 1999. Last year, the plant had capacity to serve 1,071 connections based on 280 gallons per connection per day. An expansion of the WWTP was completed during in 2014 that doubled its size to 600 MGPD. The overall quality of the WWTP is good. The next phase of expansion to 900,000 gpd is in the construction phase.

- Lift Stations:

  Currently, the district has five lift stations, which are of good quality with the exception of Lift Station No. 2. They are located at the WWTP, next to the pool on Gleneagles Drive, north end of Fallen Timbers, in section three along Glenoaks Drive, and in Montgomery Creek Ranch Section 3. Lift Station No. 2 upgrade is completing internal review and will likely begin the bid process in November or December 2025.

- Water Wells:

  The district has three water wells that are located at the Water Plants (WP). Their current combined capacity is approximately 3,823 equivalent single-family connections. The overall quality of the water wells is good.

- Ground Storage Tanks:

  The district also has two ground storage tanks with a combined capacity of 640,000 gallons at WP No. 1 and one ground storage tank at WP No. 2 with a capacity of 100,000 gallons. The overall quality of the storage tanks at WP No. 1 is fair. The district has contracted with C3 Constructors, LLC for the replacement of storage tank No. 1, with construction to begin in 2025. Once storage tank No. 1 has been completed, C3 will also install the replacement of storage tank No.2.

- Hydropneumatic Tank:

  The district has three hydropneumatic tanks with a combined capacity to serve 3,176 connections. The overall quality of the pressure tanks is good.

- Booster Pumps:

  The district has eight water booster pumps rated 20Hp (250 GPM), four at 30Hp (500GPM), 40Hp (750 GPM), and two 75Hp (1500 GPM) and can service up to 5,341 connections. The overall quality of the pumps is fair to good.

CAPITAL ASSETS ANALYSIS AND HIGHLIGHTS (Continued)

- Standby Generators:

  The district currently has seven standby generators located at each of the following locations: WWTP, Water Plants 1 and 2, and four lift stations. There is sufficient generating capacity to operate the entire district during a prolonged power outage. The overall condition of the generators is very good.

BUDGET AND ECONOMIC ANALYSIS AND HIGHLIGHTS

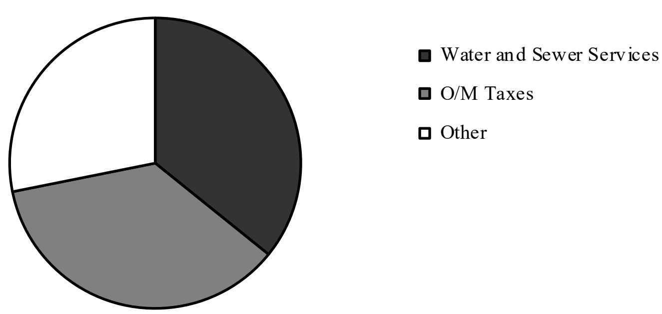
Typically, the district revenues are collected from water and sewer services and maintenance taxes. The following is a comparative breakdown of the actual revenue sources, including the general fund and special revenue funds less inter-fund activity for the fiscal years ended June 30, 2025 and 2024:

Revenue Source Table and Pie Chart

REVENUE SOURCE	FY 2025-2024	FY 2024-2023	INCREASE (DECREASE)	% CHANGE
Water and Sewer Services	$ 1 554 494	$ 1 834 314	$ (279 820)	-15.25%
O/M Taxes	1 564 525	1 481 438	83 087	5.61%
Other	1 222 066	1 034 383	187 683	18.14%
Total	$ 4 341 085	$ 4 350 135	$ (9 050)	-0.21%

Total revenues were 1% greater than the general fund and special revenue funds' budgets with eliminating inter-fund activity. This positive variance in the budget revenues was mainly due to greater than expected maintenance tax revenue and the new solid waste service revenue.

REVENUE SOURCES



BUDGET AND ECONOMIC ANALYSIS AND HIGHLIGHTS (Continued)

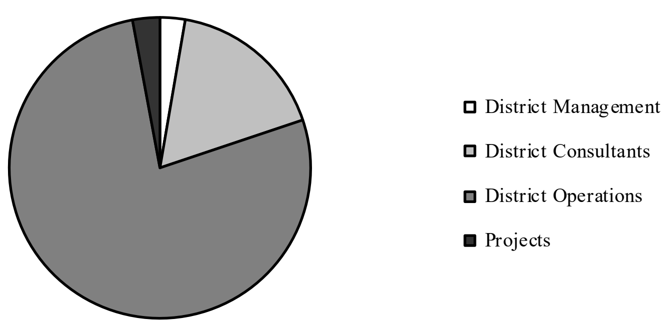
The expense side of the budget resulted in a 22% negative variance from the general fund and special revenue funds' budgets in total. The following is a comparative breakdown of the actual expenditures, including the general fund and special revenue funds less inter-fund activity for the fiscal years ended June 30, 2025 and 2024:

Expenditure Table and Pie Chart

EXPENDITURE	FY 2025-2024	FY 2024-2023	INCREASE (DECREASE)	% CHANGE
District Management	$ 87 524	$ 64 453	$ 23 071	35.80%
District Consultants	556 101	461 077	95 024	20.61%
District Operations	2 504 601	2 561 252	(56 651)	-2.21%
Projects	94 727	241 455	(146 728)	-60.77%
Total	$ 3 242 953	$ 3 328 237	$ (85 284)	-2.56%

Revenues were down .21% and expenses were down 2.56% from fiscal year 2024 to 2025. The main decrease in revenue was due to decreased water and sewer service revenues for the 2025 fiscal year compared to the 2024 fiscal year. The decrease in expenses was due to less bulk water purchases, repairs and maintenance and fewer projects in 2025 than in 2024.

EXPENDITURES



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MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 15

STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2025

	General Fund	Special Revenue Fund I	Special Revenue Fund II	Debt Service Fund
ASSETS				
Cash and temporary investments	$ 7 454 450	$ 64 033	$ 70 317	$ -
Restricted cash and temporary investments	-	-	-	2 577 976
Taxes receivable	35 529	-	-	54 911
Other receivables	231 412	-	42 512	-
Internal receivables	477 512	-	30 750	-
Prepaid expenses	12 847	-	-	-
Capital assets (net of accumulated depreciation)				
Land	-	-	-	-
Infrastructure	-	-	-	-
Construction in progress	-	-	-	-
Total assets	$ 8 211 750	$ 64 033	$ 143 579	$ 2 632 887
LIABILITIES				
Accounts payable and accrued liabilities	$ 154 597	$ 28 642	$ 69 566	$ 5 464
Retainage payable	-	-	-	-
Refundable deposits	298 345	-	-	-
Due to other districts	-	9 035	5 000	-
Due to developer	-	-	-	-
Internal payables	34 332	53 978	100 000	323 533
Long-term liabilities:				
Due within one year	-	-	-	-
Due after one year	-	-	-	-
Total liabilities	487 274	91 655	174 566	328 997
DEFERRED INFLOWS OF RESOURCES				
Unavailable tax revenue	35 529	-	-	54 911
Total deferred inflows of resources	35 529	-	-	54 911
FUND BALANCES/NET POSITION				
Fund balances:				
Restricted:				
Debt service funds	-	-	-	2 248 979
Unassigned	7 688 947	(27 622)	(30 987)	-
Total fund balances	7 688 947	(27 622)	(30 987)	2 248 979
Total liabilities and fund balances	$ 8 211 750	$ 64 033	$ 143 579	$ 2 632 887
Net position:				
Net investment in capital assets				
Restricted for debt service				
Unrestricted				
Total net position				
Total liabilities, deferred inflows of resources and net position				

See the Accompanying Independent Auditors' Report and Notes to Financial Statements.

Capital Projects Fund	Total	Adjustments	Statement of Net Position
$ -	$ 7 588 800	$ -	$ 7 588 800
8 256 980	10 834 956	-	10 834 956
-	90 440	-	90 440
-	273 924	-	273 924
3 581	511 843	(511 843)	-
-	12 847	-	12 847
-	-	3 015 275	3 015 275
-	-	18 636 083	18 636 083
-	-	1 945 931	1 945 931
$ 8 260 561	$ 19 312 810	$ 23 085 446	$ 42 398 256
$ 66 728	$ 324 997	$ 340 919	$ 665 916
14 038	14 038	-	14 038
-	298 345	-	298 345
-	14 035	-	14 035
829 266	829 266	-	829 266
-	511 843	(511 843)	-
-	-	1 480 000	1 480 000
-	-	35 060 000	35 060 000
910 032	1 992 524	36 369 076	38 361 600
-	90 440	(90 440)	-
-	90 440	(90 440)	-
-	2 248 979	(2 248 979)	-
7 350 529	14 980 867	(14 980 867)	-
7 350 529	17 229 846	(17 229 846)	-
$ 8 260 561	$ 19 312 810		
		(12 942 711)	(12 942 711)
		2 248 979	2 248 979
		14 730 388	14 730 388
		4 036 656	4 036 656
		$ 23 085 446	$ 42 398 256

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 15

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Special Revenue Fund I	Special Revenue Fund II	Debt Service Fund
Revenues:				
Charges for water service	$ 497 510	$ -	$ 1 009 314	$ -
Charges for sewer service	850 246	536 709	-	-
Property taxes	-	-	-	2 321 532
Maintenance taxes	1 564 525	-	-	-
Groundwater reduction plan fee	539 459	-	-	-
Sewer inspection fees	18 110	-	-	-
Investment earnings	233 265	-	-	90 090
Penalties and interest	32 755	-	-	22 322
Payments in lieu of taxes	74 096	-	-	15 166
Solid waste service	283 117	-	-	-
Miscellaneous income	59 374	-	-	-
Total revenues	4 152 457	536 709	1 009 314	2 449 110
Expenditures/expenses:				
Service operations:				
Bulk water purchases	848 029	-	-	-
Bulk sewer purchases	509 366	-	-	-
Solid waste disposal	-	135 324	-	-
Contracted services	162 322	50 381	7 575	30 413
Professional fees	330 823	2 500	2 500	6 544
Director fees	17 580	-	-	-
Repairs and maintenance	348 483	226 087	130 632	-
Utilities	5 851	96 835	90 075	-
Solid waste management	501 889	-	-	-
Groundwater reduction plan	-	-	731 901	-
Other	235 255	25 582	46 631	41 434
Capital outlay	94 727	-	-	-
Debt service				
Principal	-	-	-	1 395 000
Interest	-	-	-	1 063 906
Depreciation	-	-	-	-
Total expenditures/expenses	3 054 325	536 709	1 009 314	2 537 297
Excess (deficiency) of revenues over expenditures	1 098 132	-	-	(88 187)
Change in net position				
Fund balance/net position:				
Beginning of the year	6 590 815	(27 622)	(30 987)	2 337 166
End of the year	$ 7 688 947	$ (27 622)	$ (30 987)	$ 2 248 979

See the Accompanying Independent Auditors' Report and Notes to Financial Statements.

Capital Projects Fund	Total	Adjustments	Statement of Activities
$ -	$ 1 506 824	$ (848 029)	$ 658 795
-	1 386 955	(509 366)	877 589
-	2 321 532	10 896	2 332 428
-	1 564 525	8 136	1 572 661
-	539 459	-	539 459
-	18 110	-	18 110
379 366	702 721	-	702 721
-	55 077	-	55 077
-	89 262	-	89 262
-	283 117	-	283 117
-	59 374	-	59 374
379 366	8 526 956	(1 338 363)	7 188 593
-	848 029	(848 029)	-
-	509 366	(509 366)	-
-	135 324	-	135 324
-	250 691	-	250 691
24 854	367 221	-	367 221
-	17 580	-	17 580
-	705 202	-	705 202
-	192 761	-	192 761
-	501 889	-	501 889
-	731 901	-	731 901
60	348 962	-	348 962
969 649	1 064 376	(1 064 376)	-
-	1 395 000	(1 395 000)	-
-	1 063 906	(13 217)	1 050 689
-	-	898 847	898 847
994 563	8 132 208	(2 931 141)	5 201 067
(615 197)	394 748		
		1 987 526	1 987 526
7 965 726	16 835 098	(14 785 968)	2 049 130
$ 7 350 529	$ 17 229 846	$ (13 193 190)	$ 4 036 656

NOTE (1) SIGNIFICANT ACCOUNTING POLICIES

Montgomery County Municipal Utility District No. 15 (the District) was created by an order of the Texas Water Rights Commission effective September 19, 1972, in accordance with Texas Water Code Chapter 54. The Board of Directors held its first meeting on October 6, 1972, and the first bonds were sold on June 22, 1973. The District was established to provide water, sewer, and drainage service to the residents of the District.

The accompanying financial statements of the District have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The more significant accounting policies of the District are described below.

A. REPORTING ENTITY

The District is a Texas Utility District with a five-member board of directors, who are elected by individuals residing within the boundaries of the District. The Directors are elected to serve four-year terms, with two members elected at one election and the other three elected two years later.

The District follows the standards promulgated by GASB Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, to define the reporting entity. The financial statements include all operations over which the District is financially accountable. The District is a participant in two joint ventures but has not identified any entities which would be component units of the District.

B. BASIS OF PRESENTATION

The District is a special-purpose government that is governed by a separately elected governing body. It is legally separate and fiscally independent of other state and local governments. The accompanying financial statements present the activities of the District.

The financial transactions of the District are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the District:

1. <u>Governmental Funds</u>

General Fund - To account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - To account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt Service Fund - To account for all financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Capital Projects Fund - To account for all financial resources that are restricted, committed, or assigned to expenditure for capital outlays.

NOTE (1) SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

2. Fund Balances

Beginning with fiscal year 2011, the District implemented GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints place on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance - amounts that are in nonspendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation
- Committed fund balance - amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., board of directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint.
- Assigned fund balance - amounts the District intends to use for a specific purpose. Intent can be expressed by the board of directors or by an official or body to which the board of directors delegates the authority.
- Unassigned fund balance - amounts that are available for any purpose.

The District uses the following classifications for net position:

Net investment in capital assets - To indicate the value of capital invested in capital assets less accumulated depreciation, net of associated debt.

Restricted - To indicate the funds restricted within the General Fund for the purposes of contingencies or emergencies. The Board must approve any changes in the restriction of this fund balance.

Unrestricted - To indicate net position that is available for use in future periods.

NOTE (1) SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. BASIS OF ACCOUNTING

All Governmental Funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded in the accounting period in which they become available and measurable. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized in the period in which the fund liability is incurred, if measurable. The exception to this general rule is that principal and interest on general obligation long-term debt is recognized when 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 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.

The District has adopted GASB Statement No. 34, *Basic Financial Statements* and *Management's Discussion and Analysis for State and Local Governments*. In compliance with GASB Statement No. 34, the District has presented a Statement of Net Assets and Statement of Activities for the year ended June 30, 2025. These statements are presented on an accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded in the period they are earned, and expenses are recorded in the period they are incurred. The "Adjustments" column on these statements represents the infrastructure of the District and related debt to reflect an accrual basis rather than a modified accrual basis of accounting. In addition, tax revenues are adjusted to reflect an accrual basis rather than a modified accrual basis of accounting. Depreciation is retroactively recorded for all infrastructure assets. All fund balances are adjusted to reflect net position.

D. CAPITAL ASSETS

The cost of capital assets includes all costs associated with the creation of the District, the sale of bonds, and the construction of facilities including infrastructure (immovable) assets which are of value only to the District. Interest costs related to bond proceeds are being expensed which includes construction in progress.

The District capitalized the cost of meters and boxes and residential lines as part of the water system as capital assets. The full cost of facilities owned by the District is capitalized; funds provided by others are shown as contributions on the balance sheet. Depreciation of capital assets is not recorded in the accounts of governmental funds but is recorded as an Adjustment on the Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balance. The District capitalized all land and land improvements, buildings and facilities and improvements over $7,500, and equipment and other assets over $1,500. Assets are depreciated on a straight-line basis using lives established by the Texas Commission on Environmental Quality ranging from 3 years to 45 years. Land is not a depreciable asset.

E. BOND DISCOUNTS

The District expenses bond discounts upon issuance of the bonds.

NOTE (1) SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. INTER-FUND TRANSACTIONS

Transfers from one fund to another fund are reported as inter-fund receivables and payables if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis. Operating transfers represent legally authorized transfers from the fund receiving resources to the fund through which the resources are to be expended. Transfers of residual equities are reported as additions to or deductions from the fund balance of the governmental fund types. Inter-fund transactions are eliminated in the Adjustments column for the Statement of Net Position and Statement of Activities.

G. BUDGET

The District adopts a budget each fiscal year for the general fund and each special revenue fund on substantially the same basis used to reflect actual revenues and expenditures. The budget was formally adopted by the board members at a duly advertised public meeting. Approval by the Board of Directors is required for revisions that alter the total expenditures. Reported budgeted amounts are as adopted and approved by the Board of Directors. Budgeted amounts lapse annually.

H. USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although those estimates are based on our knowledge of current events or actions that may happen in the future, actual results could differ from those estimates.

I. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Amounts reported for governmental activities in the statement of net position and governmental funds balance sheet are different because:

Total Fund Balance at June 30, 2025	$ 17 229 846
Capital assets used in governmental activities are not financial and are not reported in the funds	23 597 289
Conversion of property tax assessments to full accrual basis	90 440
Interest paid on bonds is adjusted to accrual basis	(340 919)
Long-term debt obligations are not reported in the funds	(36 540 000)
Adjustment to fund balance to arrive at net position	(13 193 190)
Net Position at June 30, 2025	$ 4 036 656

NOTE (1) SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

Amounts reported for governmental activities in the statement of activities are different because:

Change in fund balance	$ 394 748
Government funds report capital outlays as expenditures. However, for government-wide financial statements, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay and conveyance of capital assets exceeded depreciation in the current period.	165 529
Interest paid on bonds is adjusted to accrual basis	13 217
Principal payments on debt are reported as expenditures in the funds. However, they do not affect net position.	1 395 000
Conversion of property tax assessments to full accrual basis	19 032
Change in net position of governmental activities	$ 1 987 526

NOTE (2) WATER AND SEWER SERVICE RATES

Effective February 14, 2024, the District adopted the following rates which remain in effect through January 7, 2025:

Water Service

Residential and Apartment Monthly Charges per connection:

First 5,000 gallons of water used (minimum bill)	$ 12.00
Each 1,000 gallons of water used over 5,000 gallons, up to 10,000	1.50
Each 1,000 gallons of water used over 10,000 gallons, up to 15,000	2.00
Each 1,000 gallons of water used over 15,000 gallons, up to 20,000	2.50
Each 1,000 gallons of water used thereafter	3.00

Sewer Service

Residential and Apartment Monthly Charge:

First 25,000 gallons of water used	$ 39.56
Each 1,000 gallons of water used thereafter	2.50
Apartment connections per unit	20.00

NOTE (2) WATER AND SEWER SERVICE RATES

Effective January 8, 2025, the District adopted the following rates which remain in effect at June 30, 2025:

Water Service

Residential and Apartment Monthly Charges per connection:

First 5,000 gallons of water used (minimum bill)	$ 12.00
Each 1,000 gallons of water used over 5,000 gallons, up to 10,000	1.50
Each 1,000 gallons of water used over 10,000 gallons, up to 15,000	2.00
Each 1,000 gallons of water used over 15,000 gallons, up to 20,000	2.50
Each 1,000 gallons of water used thereafter	3.00

Sewer Service

Residential and Apartment Monthly Charge:

First 25,000 gallons of water used	$ 44.43
Each 1,000 gallons of water used thereafter	2.50
Apartment connections per unit	20.00

Service Fee

Cost of initiating water and/or sewer service to new customers (non-refundable)	$ 15.00

Tap Fees and Sewer Inspection

Residential Tap Fee:	
Up to and including ¾ inch tap	$ 1,200
Over 3/4-inch tap	Established by separate agreement
Residential sewer inspection fee	$ 75.00

Groundwater Reduction Plan Fee

The consumer shall pay a Groundwater Reduction Plan Fee per 1,000 gallons, equal to the pumpage fees per 1,000 gallons of water that the District is required to pay to the San Jacinto River Authority with respect to water that is delivered to the consumer.

Deposits

Per Residential Customer	minimum	$ 80.00
	maximum	$ 300.00
Builder deposit		$1,500.00
Commercial, Apartment or non-profit Corporation		Greater of $400 or 2.5 times the estimated monthly bill
Builder Inspections		$ 60.00

NOTE (3) RESTRICTED CASH AND TEMPORARY INVESTMENTS

The following balances were restricted by the Bond Orders as of June 30, 2025:

	Restricted for	
	Servicing of Bonded Debt	Acquistition of Capital Assets
Cash and Temporary Investments	$ 2 577 976	$ 8 256 980

NOTE (4) PRECONSTRUCTION AGREEMENTS

On December 7, 2021, the District entered into an agreement with DAMC Properties, LLC to proceed with the construction of water, sewer, drainage, and on-site storm water detention or retention facilities to serve 3 tracts consisting of a total of 16.841 acres. The facilities were constructed upon approval from the Texas Commission on Environmental Quality. The District would acquire the facilities when a taxable value is sufficient to generate annual debt service requirements on bonds issued for such construction at a rate that does not exceed $0.50 per $100 taxable value over a term that does not exceed 20 years. In addition, the District’s annual debt service tax rate is not projected to exceed $0.50 per $100 taxable value over the life on the bonds, and the District must be able to sell and deliver its bonds for the purpose of purchasing the facilities.

NOTE (5) DEPOSITS AND INVESTMENTS

Custodial Credit Risk – Deposits

The contracted depository bank used by the General Fund, the Special Revenue Funds, the Debt Service Fund and the Capital Projects Fund was Central Bank for operations. The largest cash, savings, and time deposit combined account balance was $1,007,394 at Central Bank, occurring in April 2025. This amount was adequately insured by the FDIC and pledged collateral.

Investment Policies

At the balance sheet date, operating cash account deposits with a carrying value of $3,214,790 held by depository banks were secured by the FDIC and pledged collateral.

Statutes authorize the District to invest in direct or indirect obligations of the United States, the State or any county, school district, or other political subdivision of the State. Funds of the District may be placed in certificates of deposit of State or National banks or savings associations within the State. The District holds investments at June 30, 2025, in accordance with the Board approved investment policy, in TexPool State Treasury ("TexPool"). In following the Public Funds Collateral Act, TexPool invests the District's funds in obligations of the United States, obligations issued by a public agency that is payable from taxes, revenues, or a combination thereof that has been rated by a nationally recognized rating agency with a rating of not less than A, or any security in which a public entity may invest under the Public Funds Investment Act of 1987. Surety bonds and investment securities are used as collateral to secure both the amount of the deposits with TexPool plus any accrued interest.

A separate financial report for TexPool is prepared in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Copies of the report can be obtained from TexPool at Participant Services, c/o Federated Hermes, 1001 Texas Ave., 14th Floor, Houston, Texas 77002. The carrying and market value of the temporary investments held in TexPool was $15,208,966 as of June 30, 2025.

Local governments are subject to the Public Funds Investment Act as amended during the 1995 legislative session. The Act directs local governments to adopt a written investment policy that primarily emphasizes safety of principal and liquidity. Also addressed under the Act are the areas of investment diversification, yield, maturity, and quality of investment management. The District has substantially complied with the Act's provisions during its fiscal year ended June 30, 2025.

NOTE (6) CAPITAL ASSETS

	Balances Beginning Of Year	Additions	Disposals	Depreciation	Balances End Of Year
Land	$ 3 015 275	$ -	$ -	$ -	$ 3 015 275
Physical Plant	$ 35 775 719	$ 94 727	$ -	$ -	$ 35 870 446
Less: Accumulated Depreciation	(16 335 516)	-	-	(898 847)	(17 234 363)
Net book value	$ 19 440 203	$ 94 727	$ -	$ (898 847)	$ 18 636 083
Construction in progress	$ 976 282	$ 969 649	$ -	$ -	$ 1 945 931

Construction in progress includes engineering and construction costs associated with the continuing wastewater treatment plant expansion.

NOTE (7) BONDS PAYABLE

	Series 2016	Series 2016 (R)	Series 2017	Series 2018 (R)	Series 2018A
Amounts outstanding June 30, 2025	$ 2 550 000	$ 3 700 000	$ 5 840 000	2 740 000	$ 3 075 000
Interest Rates	2.0% to 3.625%	2.0% to 3.0%	2.25% to 3.625%	2.0% to 3.0%	4.0% to 4.125%
Maturity dates, serially beginning/ending	March 1, 2019/2043	March 1, 2017/2037	March 1, 2018/2043	March 1, 2018/2037	March 1, 2019/2045
Interest payment dates	September 1 March 1	September 1 March 1	September 1 March 1	September 1 March 1	September 1 March 1

	Series 2021	Series 2021A	Series 2022
Amounts outstanding June 30, 2025	$ 6 855 000	$ 7 205 000	$ 4 575 000
Interest Rates	1.0% to 3.0%	2.0% to 3.0%	3.0% to 3.125%
Maturity dates, serially beginning/ending	March 1, 2022/2050	March 1, 2022/2043	March 1, 2022/2050
Interest payment dates	September 1 March 1	September 1 March 1	September 1 March 1

Bonded debt payable, beginning of year	$ 37 935 000
Sale of bonds	-
Retirement of principal	(1 395 000)
Bonded debt payable, end of year	$ 36 540 000

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 are further payable from and secured by a lien on and pledge of the net revenues to be received from the operation of the District's waterworks and sanitary sewer system. The taxes were levied September 1 or as soon after September 1 as it took to set the tax rate. The ad valorem tax was due upon receipt and was considered delinquent if not paid by February 1, at which time penalties and interest were assessed. According to the District's tax calendar, the lien date was January 1.

NOTE (7) BONDS PAYABLE (Continued)

In the governmental funds, property taxes are initially recorded as receivables and unearned revenue at the time the tax levy is billed. Revenues recognized during the fiscal year ended June 30, 2025, include collections during the current period or within 60 days of year-end related to the 2024 and prior years' tax levies.

During the year ended June 30, 2025, the District levied an ad valorem debt service tax at the rate of $0.3801 per $100 of assessed valuation, which resulted in a tax levy of $2,339,644 on the taxable valuation of $615,533,687 for the 2024 tax year. The Bond Resolutions require the District levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. The debt service cash balance at June 30, 2025 was $2,577,976.

As of June 30, 2025, the debt service requirements on the bonds outstanding are as follows:

Fiscal Years Ending	Principal	Interest	Total
2026	$ 1 480 000	$ 1 022 756	$ 2 502 756
2027	1 505 000	984 089	2 489 089
2028	1 565 000	944 387	2 509 387
2029	1 640 000	902 126	2 542 126
2030	1 725 000	857 426	2 582 426
2031-2035	9 665 000	3 563 873	13 228 873
2036-2040	9 395 000	2 129 158	11 524 158
2041-2045	6 560 000	864 257	7 424 257
2046-2050	3 005 000	231 723	3 236 723
	$ 36 540 000	$ 11 499 795	$ 48 039 795

NOTE (8) SIGNIFICANT BOND RESOLUTIONS AND LEGAL REQUIREMENTS

In accordance with State statutes, the District should require that security (market value basis) be provided by depositories for all funds held by them. At the balance sheet date, federal insurance and securities pledged were in excess of the District's deposits.

The Bond Resolutions state that so long as any of the bonds or coupons remain outstanding, the District covenants that it will at all times keep insured such parts of the system as are customarily insured by municipal corporations and political subdivisions in Texas operating like properties in similar locations under the same circumstances with a responsible insurance company or companies against risk, accidents or casualties against which and to the extent insurance is customarily carried by such municipal corporations and political subdivisions; provided, however, that at any time while any contractor engaged in construction work shall be fully responsible. At June 30, 2025, the District had physical damage coverage of $18,250,000 and comprehensive general liability coverage with a maximum limit of $1,000,000 for each occurrence and a $3,000,000 general aggregate limit.

NOTE (9) MAINTENANCE TAXES

An election held August 9, 1986, authorized a maintenance tax not to exceed $0.50 per $100 valuation on all property subject to taxation within the District. During the year ended June 30, 2025, the District levied an ad valorem maintenance tax at the rate of $0.2562 per $100 of assessed valuation, which resulted in a tax levy of $1,576,997 on the taxable valuation of $615,533,687 for the 2024 tax year. This maintenance tax is being used by the general fund to pay expenditures of operating the District's waterworks, storm drainage and sanitary sewer system. The taxes were levied September 1 or as soon after September 1 as it took to set the tax rate. The maintenance tax was due upon receipt and was delinquent if not paid before February 1, at which time penalties and interest were assessed. According to the District's tax calendar, the lien date was January 1.

In the governmental funds, property taxes are initially recorded as receivables and unearned revenue at the time the tax levy is billed. Revenues recognized during the fiscal year ended June 30, 2025, include collections during the current period or within 60 days of year-end related to the 2024 and prior years' tax levies.

NOTE (10) WATER SUPPLY AND WASTEWATER TREATMENT AGREEMENT

On May 24, 2010, the District entered into an agreement with Montgomery County Municipal Utility District No. 95 (MUD 95) to provide water and wastewater treatment to that district. Under the agreement MUD 95 purchased water plant capacity and wastewater treatment plant capacity from the District for $882,000. The District granted credits to MUD 95 for the costs of interconnect between the districts and future shared improvements of shared facilities in the amount of $584,252. The result was a payment of $297,748 received from MUD 95 during the year ended June 30, 2010. Under the agreement, MUD 95 will owe the District $202,500 for water plant improvements and capacity reservation once certain conditions are met. During the year ended June 30, 2014, the conditions were met, and the District received the $202,500 payment. In addition, during the year ended June 30, 2013, the District received a $388,271 contribution from MUD 95 for wastewater plant improvements. The term of the contract is fifty years with twelve months written notice to terminate the contract.

On May 13, 2015, the agreement with MUD 95 was amended to make certain clarifications and updates, and to provide for the connection of additional tracts in the District to the Shared Drainage Facilities. The District shall pay $150,270 to MUD 95 if and when a physical tie-in to the Shared Drainage Facilities is made for Parcel 4. This payment was made during the fiscal year ended June 30, 2019.

The operations for the joint wastewater treatment plant and joint water plant are reported under the Special Revenue Funds I and II, respectively, on the Statement of Net Assets and Governmental Funds Balance Sheet and the Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balance.

The fixed operating costs of the joint facilities include legal, renewal of permits and licenses (except any such costs which are included in the costs of construction and expansion), insurance, laboratory, mowing, bookkeeping, and auditing costs based on ownership interest in the joint facilities. MUD 95 currently owns 18.67% of the joint wastewater treatment plant and 17.73% of the joint water plant. The District currently owns 81.33% of the joint wastewater treatment plant and 82.27% of the joint water plant.

NOTE (10) WATER SUPPLY AND WASTEWATER TREATMENT AGREEMENT (Continued)

The variable operating costs of the joint wastewater treatment plant and joint water plant include costs such as repairs and maintenance, utilities, chemicals, sludge haul, groundwater reduction fees and all expenses which are not fixed operating costs. Joint wastewater treatment plant variable costs are allocated based on each district's equivalent connections to the sanitary sewer collection system during a month divided by the equivalent connections served by the wastewater treatment plant during the same month. Joint water plant variable costs are allocated based on the ratio of flows (total meter readings) by each district through the joint water plant.

During the year ended June 30, 2025, the District's share of costs for the joint wastewater treatment plant and the joint water plant was $509,366 and $848,029, respectively.

NOTE (11) JOINT FINANCING, CONSTRUCTION AND MAINTENANCE OF WATER DISTRIBUTION AND SANITARY SEWER COLLECTION FACILITIES

On May 13, 2015, the District entered into an agreement with MUD 95 for services to be provided to the portion of Harper's Preserve development located within the District. Under the agreement, MUD 95 will bill and collect from the Harper's Preserve residents that reside within the District's boundaries for monthly water and sewer services. The agreement also provides that MUD 95 will maintain the Harper's Preserve Facilities located within the District, except for major repairs.

NOTE (12) EMERGENCY WATER SUPPLY CONTRACT

On October 8, 2003, the District entered into an emergency water supply agreement with MUD 95. Under the contract, MUD 95 constructed a water line to connect with the District's water supply system, and the District constructed a water line from their water supply system to the point of interconnect. Each district is responsible for maintaining its respective interconnect lines. Water delivered during emergencies shall cost $1 per 1,000 gallons to be reviewed every ten years. The term of the contract is for fifty years unless earlier terminated upon mutual written consent of the districts.

NOTE (13) SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 12, 2025 (the date the financial statements were available to be issued) and noted no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 15

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original and Final Budget*	Actual	Variance Positive (Negative)
Revenues:			
Charges for water service	$ 565 000	$ 497 510	$ (67 490)
Charges for sewer service	900 000	850 246	(49 754)
Maintenance taxes	1 350 000	1 564 525	214 525
Ground water reduction plan fee	1 000 000	539 459	(460 541)
Sewer inspection fees	-	18 110	18 110
Investment earnings	150 000	233 265	83 265
Penalties and interest	30 000	32 755	2 755
Payments in lieu of taxes	-	74 096	74 096
Solid waste service	-	283 117	283 117
Miscellaneous income	-	59 374	59 374
Total revenues	3 995 000	4 152 457	157 457
Expenditures/expenses:			
Service operations:			
Bulk water purchases	950 000	848 029	101 971
Bulk sewer purchases	700 000	509 366	190 634
Contracted services	198 000	162 322	35 678
Professional fees	367 000	330 823	36 177
Director fees	18 000	17 580	420
Repairs and maintenance	505 000	348 483	156 517
Utilities	5 000	5 851	(851)
Solid waste management	450 000	501 889	(51 889)
Other	118 500	235 255	(116 755)
Capital outlay	550 000	94 727	455 273
Total expenditures/expenses	3 861 500	3 054 325	807 175
Excess (deficiency) of revenues over expenditures	133 500	1 098 132	964 632
Fund balance/net position:			
Beginning of the year	6 590 815	6 590 815	-
End of the year	$ 6 724 315	$ 7 688 947	$ 964 632

* The budget was not amended during the year. Therefore, the original budget is same as the final budget.

See the Accompanying Independent Auditors' Report.

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 15

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL – SPECIAL REVENUE FUND I
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original and Final Budget*	Actual	Variance Positive (Negative)
Revenues:			
Charges for sewer service	$ 748 950	$ 536 709	$ (212 241)
Total revenues	748 950	536 709	(212 241)
Expenditures/expenses:			
Service operations:			
Solid waste disposal	120 000	135 324	(15 324)
Contracted services	33 000	50 381	(17 381)
Professional fees	4 000	2 500	1 500
Repairs and maintenance	260 000	226 087	33 913
Utilities	101 500	96 835	4 665
Other	224 450	25 582	198 868
Total expenditures/expenses	742 950	536 709	206 241
Excess (deficiency) of revenues over expenditures	6 000	-	(6 000)
Fund balance/net position:			
Beginning of the year	(27 622)	(27 622)	-
End of the year	$ (21 622)	$ (27 622)	$ (6 000)

* Budget was not amended during the year. Therefore, the original budget is the same as the final budget.

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 15

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL – SPECIAL REVENUE FUND II
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original and Final Budget*	Actual	Variance Positive (Negative)
Revenues:			
Charges for water service	$ 1 503 900	$ 1 009 314	$ (494 586)
Total revenues	1 503 900	1 009 314	(494 586)
Expenditures/expenses:			
Service operations:			
Contracted services	14 300	7 575	6 725
Professional fees	4 000	2 500	1 500
Repairs and maintenance	175 000	130 632	44 368
Utilities	100 000	90 075	9 925
Groundwater reduction plan	1 007 500	731 901	275 599
Other	186 600	46 631	139 969
Total expenditures/expenses	1 487 400	1 009 314	478 086
Excess (deficiency) of revenues over expenditures	16 500	-	(16 500)
Fund balance/net position:			
Beginning of the year	(30 987)	(30 987)	-
End of the year	$ (14 487)	$ (30 987)	$ (16 500)

* Budget was not amended during the year. Therefore, the original budget is the same as the final budget.

TSI-1. SERVICES AND RATES
FOR THE YEAR ENDED JUNE 30, 2025

1. Services Provided by the District:

    Retail Water
    Retail Wastewater and Solid Waste Collection and Disposal

2. Retail Service Providers

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

    Most prevalent type of meter (if not a 5/8"): 3/4" meter

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons Over Minimum	Usage Levels
Water	$12.00	5,000	N	$1.50	5,001 - 10,000
				2.00	10,001 - 15,000
				2.50	15,001 - 20,000
				3.00	20,001 - over
Surcharge		None	N	2.88	
Wastewater and Solid Waste Collection and Disposal	$44.43	25,000	N	$2.50	25,001 - over

District employs winter averaging for wastewater usage?	Yes	No
	____	X

Total charges per 10,000 gallons usage: Water $49.23 Wastewater $44.43

b. Water and Wastewater Retail Connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
Unmetered	-	-	x 1.0	-
< or =3/4"	2 135	2 110	x 1.0	2 110
1"	11	11	x 2.5	28
1 1/2"	1	1	x 5.0	5
2"	11	10	x 8.0	80
3"	2	2	x 15.0	30
4"	1	1	x 25.0	25
6"	1	-	x 50.0	-
8"	-	-	x 80.0	-
10"	-	-	x 115.0	-
Total Water	2 162	2 135		2 278
Total Wastewater	2 147	2 120	x 1.0	2 120

3. Total water consumption (rounded to the nearest 1,000) during the fiscal year:

Gallons pumped into system:	268,171	Water Accountability Ratio:	.81
Gallons billed to customers:	218,399		

See the Accompanying Independent Auditors' Report.

TSI-1. SERVICES AND RATES
FOR THE YEAR ENDED JUNE 30, 2025
(Continued)

4. Location of District:

County in which district is located			Montgomery
Is the District located entirely within one county?			Yes: X / No: ___
Is the District located within a city?	Entirely: ___	Partly: ___	Not at All: X
Is the District located within a city's extra territorial jurisdiction (ETJ)?	Entirely: X	Partly: ___	Not at All: ___
ETJ's in which district is located			Conroe
Are Board members appointed by an office outside the District?			Yes: ___ / No: X

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 15

TSI-2. GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2025

Personnel Expenditures (including benefits)*	$ -
Professional Fees	
Auditing	14 169
Legal	62 251
Engineering	253 203
Financial advisor fee	1 200
Purchased Services for Resale	
Bulk water purchases	848 029
Bulk sewer purchases	509 366
Contracted Services	
Bookkeeping	28 800
Operator	133 522
Utilities	5 851
Repairs and Maintenanace	348 483
Administrative Expenditures	
Directors' fees	17 580
Office supplies	70 243
Insurance	58 539
Other administrative expenditures	106 473
Capital Outlay	
Capitalized Assets	94 727
Solid Waste Management	501 889
Other Expenditures	-
TOTAL EXPENDITURES	$ 3 054 325
*Number of persons employed by the District:	
Full-time	-
Part-time	-

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 15

TSI-3. TEMPORARY INVESTMENTS
FOR THE YEAR ENDED JUNE 30, 2025

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balances End of Year	Accrued Interest Receivable at End of Year
General Fund					
TexPool		varies	-	$ 5 365 270	$ -
Total General Fund				5 365 270	-
Debt Service Fund					
TexPool		varies	-	484	-
TexPool		varies	-	1 614 903	-
Total Debt Service Fund				1 615 387	-
Capital Projects Fund					
TexPool		varies	-	8 228 308	-
Total Capital Projects Fund				8 228 308	-
Total - All Funds				$ 15 208 965	$ -

See the Accompanying Independent Auditors' Report.

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 15

TSI-4. TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2025

	Maintenance Taxes	Debt Service Taxes
Taxes Receivable, Beginning of Year	$ 27 393	$ 44 015
2024 Tax Roll	1 576 997	2 339 644
Adjustments and overpayments	(4 336)	(7 216)
Total to be Accounted for	1 600 054	2 376 443
Tax Collections		
Current year	1 561 817	2 317 123
Prior years	2 708	4 409
Total Collections	1 564 525	2 321 532
Total Receivable, End of Year	$ 35 529	$ 54 911
Total Receivable, by Years		
2024	$ 15 744	$ 23 358
2023	7 094	10 962
2022	8 293	12 812
2021 and prior	4 398	7 779
Taxes Receivable, End of Year	$ 35 529	$ 54 911

ASSESSED VALUATION SUMMARY

Property Valuations	2024	2023	2022	2021	2020
Land	$ 108 199 379	$ 108 224 718	$ 108 625 176	$ 105 855 312	$ 81 316 345
Improvements	649 660 986	664 181 359	587 288 730	443 988 070	414 358 210
Personal Property	11 354 324	9 914 939	7 740 300	6 634 239	7 799 487
Exemptions	(153 681 002)	(181 343 761)	(166 201 053)	(107 250 260)	(103 058 548)
Total Property Valuations	$ 615 533 687	$ 600 977 255	$ 537 453 153	$ 449 227 361	$ 400 415 494
Tax Rates per $100 Valuation					
Debt service tax rates	$ 0.3801	$ 0.3863	$ 0.4000	$ 0.4630	$ 0.5150
Maintenance tax rates*	0.2562	0.2500	0.2589	0.2670	0.2650
Total Tax Rates per $100 Valuation	$ 0.6363	$ 0.6363	$ 0.6589	$ 0.7300	$ 0.7800
Tax Rolls	$ 3 916 641	$ 3 824 018	$ 3 541 279	$ 3 279 360	$ 3 123 241
Percent of Taxes Collected to Taxes Levied	99.0%	99.5%	99.4%	99.9%	99.9%

* Maximum Tax Rate Approved by Voters: $0.50 on August 9, 1986

See the Accompanying Independent Auditors' Report.

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 15

TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEARS
JUNE 30, 2025

Series 2016

Due During Fiscal Years Ending	Principal Due March 1	Interest Due March 1, September 1	Total
2026	$ 100 000	$ 74 375	$ 174 375
2027	100 000	71 875	171 875
2028	100 000	69 375	169 375
2029	100 000	66 875	166 875
2030	125 000	64 375	189 375
2031	125 000	61 094	186 094
2032	125 000	57 812	182 812
2033	125 000	54 375	179 375
2034	125 000	50 938	175 938
2035	150 000	47 186	197 186
2036	150 000	42 688	192 688
2037	150 000	38 186	188 186
2038	150 000	33 688	183 688
2039	175 000	29 187	204 187
2040	175 000	23 939	198 939
2041	175 000	18 469	193 469
2042	200 000	13 000	213 000
2043	200 000	6 500	206 500
Total	$ 2 550 000	$ 823 937	$ 3 373 937

TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEARS
JUNE 30, 2025
(Continued)

Refunding Series 2016A			
Due During Fiscal Years Ending	Principal Due March 1	Interest Due March 1, September 1	Total
2026	$ 255 000	$ 99 981	$ 354 981
2027	260 000	94 563	354 563
2028	270 000	88 712	358 712
2029	280 000	82 300	362 300
2030	285 000	75 300	360 300
2031	300 000	68 175	368 175
2032	310 000	59 925	369 925
2033	320 000	51 400	371 400
2034	335 000	42 600	377 600
2035	350 000	32 550	382 550
2036	360 000	22 050	382 050
2037	375 000	11 250	386 250
Total	$ 3 700 000	$ 728 806	$ 4 428 806

TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEARS
JUNE 30, 2025
(Continued)

Series 2017

Due During Fiscal Years Ending	Principal Due March 1	Interest Due March 1, September 1	Total
2026	$ 225 000	$ 192 575	$ 417 575
2027	225 000	185 825	410 825
2028	225 000	179 075	404 075
2029	250 000	172 325	422 325
2030	250 000	164 825	414 825
2031	275 000	157 325	432 325
2032	275 000	149 075	424 075
2033	300 000	140 481	440 481
2034	300 000	131 106	431 106
2035	300 000	121 356	421 356
2036	325 000	111 606	436 606
2037	325 000	101 044	426 044
2038	375 000	90 482	465 482
2039	400 000	77 825	477 825
2040	425 000	63 825	488 825
2041	425 000	48 950	473 950
2042	450 000	34 075	484 075
2043	490 000	17 763	507 763
Total	$ 5 840 000	$ 2 139 538	$ 7 979 538

See the Accompanying Independent Auditors' Report.

TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEARS
JUNE 30, 2025
(Continued)

Refunding Series 2018			
Due During Fiscal Years Ending	Principal Due March 1	Interest Due March 1, September 1	Total
2026	$ 165 000	$ 98 494	$ 263 494
2027	185 000	93 544	278 544
2028	210 000	87 994	297 994
2029	200 000	81 694	281 694
2030	205 000	75 544	280 544
2031	195 000	69 294	264 294
2032	245 000	63 200	308 200
2033	240 000	53 400	293 400
2034	260 000	43 800	303 800
2035	255 000	33 400	288 400
2036	275 000	23 200	298 200
2037	305 000	12 200	317 200
Total	$ 2 740 000	$ 735 764	$ 3 475 764

TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEARS
JUNE 30, 2025
(Continued)

Series 2018A

Due During Fiscal Years Ending	Principal Due March 1	Interest Due March 1, September 1	Total
2026	$ 100 000	$ 123 094	$ 223 094
2027	100 000	119 094	219 094
2028	100 000	115 094	215 094
2029	125 000	110 594	235 594
2030	125 000	105 594	230 594
2031	125 000	100 593	225 593
2032	125 000	95 594	220 594
2033	150 000	90 094	240 094
2034	150 000	84 094	234 094
2035	150 000	78 094	228 094
2036	150 000	72 094	222 094
2037	150 000	66 000	216 000
2038	175 000	59 297	234 297
2039	175 000	52 078	227 078
2040	175 000	44 859	219 859
2041	175 000	37 641	212 641
2042	175 000	30 422	205 422
2043	200 000	22 688	222 688
2044	225 000	13 922	238 922
2045	225 000	4 641	229 641
Total	$ 3 075 000	$ 1 425 581	$ 4 500 581

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 15

TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEARS
JUNE 30, 2025
(Continued)

Series 2021			
Due During Fiscal Years Ending	Principal Due March 1	Interest Due March 1, September 1	Total
2026	$ 200 000	$ 125 231	$ 325 231
2027	200 000	123 231	323 231
2028	200 000	121 231	321 231
2029	200 000	119 231	319 231
2030	200 000	117 231	317 231
2031	225 000	114 731	339 731
2032	225 000	111 919	336 919
2033	225 000	108 544	333 544
2034	250 000	104 606	354 606
2035	250 000	100 231	350 231
2036	250 000	95 856	345 856
2037	250 000	90 856	340 856
2038	275 000	85 856	360 856
2039	275 000	80 356	355 356
2040	275 000	74 856	349 856
2041	300 000	69 356	369 356
2042	300 000	63 356	363 356
2043	300 000	57 356	357 356
2044	325 000	51 356	376 356
2045	325 000	44 857	369 857
2046	350 000	38 357	388 357
2047	350 000	30 920	380 920
2048	350 000	23 482	373 482
2049	375 000	16 044	391 044
2050	380 000	8 075	388 075
Total	$ 6 855 000	$ 1 977 125	$ 8 832 125

TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEARS
JUNE 30, 2025
(Continued)

Refunding Series 2021A

Due During Fiscal Years Ending	Principal Due March 1	Interest Due March 1, September 1	Total
2026	$ 310 000	$ 169 225	$ 479 225
2027	310 000	159 925	469 925
2028	335 000	150 625	485 625
2029	335 000	140 575	475 575
2030	385 000	130 525	515 525
2031	385 000	122 825	507 825
2032	400 000	115 125	515 125
2033	395 000	107 125	502 125
2034	465 000	99 225	564 225
2035	460 000	89 925	549 925
2036	450 000	80 725	530 725
2037	470 000	70 600	540 600
2038	490 000	60 025	550 025
2039	550 000	49 000	599 000
2040	420 000	36 625	456 625
2041	440 000	26 125	466 125
2042	455 000	15 125	470 125
2043	150 000	3 750	153 750
Total	$ 7 205 000	$ 1 627 075	$ 8 832 075

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 15

TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEARS
JUNE 30, 2025
(Continued)

Series 2022			
Due During Fiscal Years Ending	Principal Due March 1	Interest Due March 1, September 1	Total
2026	$ 125 000	$ 139 781	$ 264 781
2027	125 000	136 032	261 032
2028	125 000	132 281	257 281
2029	150 000	128 532	278 532
2030	150 000	124 032	274 032
2031	150 000	119 531	269 531
2032	150 000	115 031	265 031
2033	150 000	110 531	260 531
2034	150 000	106 031	256 031
2035	175 000	101 532	276 532
2036	175 000	96 281	271 281
2037	175 000	91 031	266 031
2038	175 000	85 781	260 781
2039	175 000	80 531	255 531
2040	200 000	75 281	275 281
2041	200 000	69 281	269 281
2042	200 000	63 281	263 281
2043	200 000	57 031	257 031
2044	200 000	50 781	250 781
2045	225 000	44 531	269 531
2046	225 000	37 500	262 500
2047	225 000	30 469	255 469
2048	250 000	23 438	273 438
2049	250 000	15 625	265 625
2050	250 000	7 813	257 813
Total	$ 4 575 000	$ 2 041 969	$ 6 616 969

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 15

TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEARS
JUNE 30, 2025
(Continued)

Annual Requirements for All Series			
Due During Fiscal Years Ending	Principal Due March 1	Interest Due March 1, September 1	Total
2026	$ 1 480 000	$ 1 022 756	$ 2 502 756
2027	1 505 000	984 089	2 489 089
2028	1 565 000	944 387	2 509 387
2029	1 640 000	902 126	2 542 126
2030	1 725 000	857 426	2 582 426
2031	1 780 000	813 568	2 593 568
2032	1 855 000	767 681	2 622 681
2033	1 905 000	715 950	2 620 950
2034	2 035 000	662 400	2 697 400
2035	2 090 000	604 274	2 694 274
2036	2 135 000	544 500	2 679 500
2037	2 200 000	481 167	2 681 167
2038	1 640 000	415 129	2 055 129
2039	1 750 000	368 977	2 118 977
2040	1 670 000	319 385	1 989 385
2041	1 715 000	269 822	1 984 822
2042	1 780 000	219 259	1 999 259
2043	1 540 000	165 088	1 705 088
2044	750 000	116 059	866 059
2045	775 000	94 029	869 029
2046	575 000	75 857	650 857
2047	575 000	61 389	636 389
2048	600 000	46 920	646 920
2049	625 000	31 669	656 669
2050	630 000	15 888	645 888
Total	$ 36 540 000	$ 11 499 795	$ 48 039 795

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 15

TSI-6. CHANGE IN LONG-TERM BONDED DEBT
JUNE 30, 2025

	Bond Issues				
	Series 2016	Series 2016A (R)	Series 2017	Series 2018 (R)	Series 2018 (A)
Interest Rate	2.0% - 3.0%	2.0% - 3.0%	2.25% - 3.625%	2.0% - 3.0%	4.0% - 4.125%
Date Interest Payable	9/1;3/1	9/1;3/1	9/1;3/1	9/1;3/1	9/1;3/1
Maturity Dates	3/1/2020 - 3/1/2043	3/1/2017 -3/1/2037	3/1/2018 - 3/1/2043	9/1/2018 - 9/1/2037	3/1/2019 - 3/1/2045
Bonds Outstanding at Beginning of Current Year	$ 2 650 000	$ 3 945 000	$ 6 040 000	$ 2 905 000	$ 3 150 000
Sale of Bonds	$ -	$ -	$ -	$ -	$ -
Retirements of Principal	$ 100 000	$ 245 000	$ 200 000	$ 165 000	$ 75 000
Bonds Outstanding at End of Current Year	$ 2 550 000	$ 3 700 000	$ 5 840 000	$ 2 740 000	$ 3 075 000
Bond Interest Paid During the Year	$ 76 375	$ 104 881	$ 198 575	$ 103 444	$ 128 094

Paying Agents Name and Address

Series 2016, 2016A, 2017, 2018, 2018A, 2021, 2021A and 2022:	Bank of New York Mellon, N.A. Post Office Box 2320 Dallas, Texas 75221-2320

	Tax Bonds	Refunding Bonds
Bond Authority:		
Amount authorized by voters	$ 60 682 000	$ 5 000 000
Amount issued	$ 48 080 000	$ 3 805 000
Remaining to be issued	$ 12 602 000	$ 1 195 000
Debt Service Fund Cash and Temporary Investment Balances as of June 30, 2025:		$ 2 577 976
Average Annual Debt Service Payment (Principal and Interest) for Remaining Term of All Debt		$ 1 921 592

Bond Issues			
Series 2021	Series 2021 (A)	Series 2022	Total
1.0% - 3.0%	2.0% - 3.0%	3.0% - 3.125%	
9/1;3/1	9/1;3/1	9/1;3/1	
3/1/2022 - 3/1/2050	3/1/2022 - 3/1/2043	3/1/2022 - 3/1/2050	
$ 7 030 000	$ 7 515 000	$ 4 700 000	$ 37 935 000
$ -	$ -	$ -	$ -
$ 175 000	$ 310 000	$ 125 000	$ 1 395 000
$ 6 855 000	$ 7 205 000	$ 4 575 000	$ 36 540 000
$ 130 481	$ 178 525	$ 143 531	$ 1 063 906

See the Accompanying Independent Auditors' Report.

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 15

TSI-7. COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES,
GENERAL FUND AND DEBT SERVICE FUND
FIVE YEARS ENDED JUNE 30, 2025

	Amounts		
	2025	2024	2023
General Fund Revenues			
Maintenance taxes	$ 1 564 525	$ 1 481 438	$ 1 384 724
Water service	477 640	520 546	488 979
Wastewater service	868 356	1 101 287	1 024 889
Regional water authority	539 459	637 426	604 295
Penalty and interest	32 755	38 399	36 522
Payments in lieu of taxes	74 096	-	-
Solid waste service	283 117	-	-
Reconnection fee	19 870	21 030	20 784
Tap connection fees	-	(110)	12 145
Interest on temporary investments	233 265	229 007	150 432
Miscellaneous income	59 374	129 550	19 513
Total General Fund Revenues	4 152 457	4 158 573	3 742 283
General Fund Expenditures			
Bulk water and sewer purchases	1 357 395	1 342 836	1 436 056
Professional fees	330 823	247 229	181 829
Purchased and contracted services	664 211	633 569	494 445
Recurring operating expenditures	252 835	271 599	207 242
Repairs and maintenance	348 483	430 662	468 268
Utilities	5 851	6 625	12 975
Capital outlay	94 727	204 155	140 925
Total General Fund Expenditures	3 054 325	3 136 675	2 941 740
Excess Revenues (Expenditures)	$ 1 098 132	$ 1 021 898	$ 800 543
Debt Service Fund Revenues			
Property taxes	$ 2 321 532	$ 2 288 967	$ 2 140 666
Penalty and interest	22 322	15 287	21 597
Interest on temporary investments	90 090	112 803	80 381
Miscellaneous income	15 166	19 776	62 403
Total Debt Service Revenues	2 449 110	2 436 833	2 305 047
Debt Service Fund Expenditures			
Tax collection services	41 153	34 857	30 747
Other recurring operating expenditures	37 238	9 550	12 500
Debt service, interest and fees			
Principal retirement	1 395 000	1 350 000	1 035 000
Interest and fees	1 063 906	1 100 756	1 111 306
Bond sale expenses/professional fees	-	-	-
Total Debt Service Expenditures	2 537 297	2 495 163	2 189 553
Excess Revenues (Expenditures)	$ (88 187)	$ (58 330)	$ 115 494
Total Active Retail Water Connections	2 135	2 142	2 033
Total Active Retail Wastewater Connections	2 120	2 112	2 018

See the Accompanying Independent Auditors' Report.

Amounts 2022	Amounts 2021	Percent of Fund Total Revenues 2025	2024	2023	2022	2021
$ 1 193 031	$ 1 053 636	37.7 %	35.7 %	37.0 %	36.9 %	36.1 %
385 993	363 539	11.5	12.5	13.1	11.9	12.5
1 003 691	993 331	20.9	26.5	27.4	31.0	34.0
477 134	421 492	13.0	15.3	16.1	14.7	14.4
24 011	31 403	0.8	0.9	1.0	0.7	1.1
-	-	1.8	-	-	-	-
-	-	6.8	-	-	-	-
14 480	12 005	0.5	0.5	0.6	0.4	0.4
111 841	22 820	-	-	0.3	3.5	0.8
9 300	4 754	5.6	5.5	4.0	0.3	0.2
19 906	14 040	1.4	3.1	0.5	0.6	0.5
3 239 387	2 917 020	100.0	100.0	100.0	100.0	100.0
1 622 586	967 732	32.7	32.3	38.4	50.1	33.2
356 608	396 581	8.0	5.9	4.9	11.0	13.6
528 579	466 393	16.0	15.2	13.2	16.3	16.0
112 804	189 441	6.1	6.5	5.5	3.5	6.5
448 536	257 274	8.4	10.4	12.5	13.8	8.8
38 143	74 519	0.1	0.2	0.3	1.2	2.6
-	427 266	2.3	4.9	3.8	-	14.6
3 107 256	2 779 206	73.6	75.4	78.6	95.9	95.3
$ 132 131	$ 137 814	26.4 %	24.6 %	21.4 %	4.1 %	4.7 %
$ 2 068 783	$ 2 047 059	94.8 %	94.0 %	92.9 %	98.8 %	99.0 %
11 312	14 892	0.9	0.6	0.9	0.5	0.7
4 326	3 217	3.7	4.6	3.5	0.2	0.2
9 660	2 907	0.6	0.8	2.7	0.5	0.1
2 094 081	2 068 075	100.0	100.0	100.0	100.0	100.0
25 842	27 751	1.7	1.4	1.3	1.2	1.3
9 657	9 666	1.5	0.4	0.5	0.5	0.5
985 000	8 725 000	57.0	55.4	40.4	47.0	421.9
994 556	1 002 381	43.4	45.2	40.8	47.5	48.5
-	258 152	-	-	-	-	12.5
2 015 055	10 022 950	103.6	102.4	83.0	96.2	484.7
$ 79 026	$ (7 954 875)	(3.6) %	(2.4) %	17.0 %	3.8 %	(384.7) %
2 158	2 083					
2 144	2 075					

See the Accompanying Independent Auditors' Report.

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 15

TSI-8. BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JUNE 30, 2025

Complete District Mailing Address: Montgomery County Municipal Utility District No. 15
10000 Memorial Drive, Suite 260
Houston, Texas 77024

District Business Telephone Number: (713) 951-0800

Submission Date of the most recent District Registration Form
(TWC Sections 36.054 and 49.054): September 11, 2025

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

Names	Term of office (Elected or Appointed)	Fees of Office Paid* FYE 6/30/25	Expense Reimbursements FYE 6/30/25	Title at Year End
Board Members:				
Ashley F. Peterson	(Elected) 05/24 - 05/28	$ 3 094	$ -	President
Christina L. Urbano	(Elected) 05/24 - 05/28	$ 3 094	$ -	Vice President
Sandra V. Day	(Elected) 05/22 - 05/26	$ 3 094	$ -	Secretary
Daniel L. Dean	(Elected) 05/24 - 05/28	$ 3 094	$ -	Operator Liaison
Mark Galan	(Elected) 05/22 - 05/26	$ 5 204	$ -	Assistant Secretary

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

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 15

TSI-8. BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JUNE 30, 2025
(Continued)

Names	Date Hired	Fees Paid* FYE 6/30/25	Expense Reimburse-ments FYE 6/30/25	Title at Year End
Consultants:				
Myrtle Cruz, Inc.	Prior to 06/83	$ 48 645	$ 4 203	Bookkeeper
Young & Brooks	10/72	$ 63 311	$ 910	Attorney
Baxter & Woodman, Inc.	06/96	$ 301 603	$ 7 554	Engineer
Montgomery Central Appraisal District	12/87	$ 34 504	$ -	County Appraiser
Breedlove & Co., P.C.	06/86	$ 19 168	$ -	Auditor
Municipal Operations & Consulting, Inc.	04/22	$ 173 302	$ 956 443	Operator

* Fees Paid are the amounts actually paid to a consultant during the district's fiscal year.

APPENDIX B

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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