PRELIMINARY OFFICIAL STATEMENT DATED APRIL 21, 2025

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

The District will designate the Bonds as "qualified tax-exempt obligations" for purposes of the calculation of interest expense by financial institutions which may own the Bonds. See "TAX EXEMPTION -- Qualified Tax-Exempt Obligations."

NEW ISSUE **Rating (Moody’s) “Baa3”**
BOOK-ENTRY-ONLY
CUSIP Base Number: 218873

CORINTHIAN POINT MUNICIPAL UTILITY DISTRICT NO. 2

(A political subdivision of the State of Texas located within Montgomery County, Texas)

$4,340,000

UNLIMITED TAX BONDS, SERIES 2025

Bonds Dated: July 1, 2025 **Due: February 1, as shown on inside cover**

The $4,340,000 Unlimited Tax Bonds, Series 2025 (the "Bonds") are obligations solely of Corinthian Point Municipal Utility District No. 2 (the "District") and are not obligations of the State of Texas; Montgomery County, Texas; or any other political subdivision or agency. See “THE BONDS--Source of and Security for Payment.”

Interest on the Bonds will accrue from July 1, 2025, and will be payable February 1, 2026 and each August 1 and February 1 thereafter, and will be calculated on the basis of a 360-day year of twelve 30-day months. The Bonds are issuable only in fully registered form in the principal denominations of $5,000 or integral multiples thereof initially registered solely in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York (“DTC”), acting as securities depository for the Bonds, until DTC resigns or is discharged. The Bonds initially will be available to purchasers in book-entry form only. So long as Cede & Co. is the registered owner of the Bonds, as nominee for DTC, the Bonds shall be payable to Cede & Co., which will in turn, remit such amount to DTC participants for subsequent disbursement to the beneficial owners of the Bonds. See “THE BONDS--Book-Entry-Only System.”

Principal of and the redemption price for the Bonds are payable by UMB Bank N.A., Houston, Texas (the “Paying Agent/Registrar”), or any successor paying agent/registrar. Interest on the Bonds will be payable by check mailed on or before the interest payment date to registered owners shown on the records of the Paying Agent/Registrar on the fifteenth (15th) day of the month preceding each interest payment date or by such other customary banking arrangements as may be agreed upon by the Paying Agent/Registrar and the registered owner at the risk and expense of the registered owner. See “THE BONDS---Description.”

SEE INSIDE COVER PAGE FOR MATURITY SCHEDULE

The Bonds, when issued, will constitute valid and legally binding obligations of the District and will be payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property within the District. See “THE BONDS--Source of and Security for Payment.” The Bonds are subject to risk factors described herein. See “RISK FACTORS.” **Neither the State of Texas; Montgomery County, Texas; nor any political subdivision other than the District shall be obligated to pay the principal of and interest on the Bonds.**

The Bonds will be delivered when, as and if issued by the District and accepted by the winning bidder for the Bonds (the “Underwriter”), subject among other things to the approval of the initial Bonds by the Attorney General of the State of Texas and by the approval of certain legal matters by Sanford Kuhl Hagan Kugle Parker Kahn LLP, Houston, Texas, Bond Counsel. Certain legal matters will be passed upon for the District by Orrick, Herrington & Sutcliffe LLP, Houston, Texas, Disclosure Counsel. Delivery of the Bonds is expected on or about July 22, 2025, in Houston, Texas.

Receiving bids until: June 16, 2025 at 10:30 a.m., Central Time

MATURITY SCHEDULE

Bonds Dated: July 1, 2025 **Due: February 1, as shown below**

Maturity Feb. 1	*Amount*	*Interest Rate*	*Initial Yield(a)*	*Maturity Feb. 1*	*Amount*	*Interest Rate*	*Initial Yield(a)*
2027	$40,000	%	%	2041(b)	$85,000	%	%
2028	40,000			2042(b)	90,000		
2029	45,000			2043(b)	90,000		
2030	45,000			2044(b)	95,000		
2031	45,000			2045(b)	100,000		
2032(b)	50,000			2046(b)	105,000		
2033(b)	55,000			2047(b)	310,000		
2034(b)	60,000			2048(b)	325,000		
2035(b)	60,000			2049(b)	340,000		
2036(b)	65,000			2050(b)	360,000		
2037(b)	70,000			2051(b)	380,000		
2038(b)	70,000			2052(b)	400,000		
2039(b)	75,000			2053(b)	420,000		
2040(b)	75,000			2054(b)	445,000		

(a) Initial yield represents the initial reoffering yield to the public which has been established by the Underwriter for public offerings and which subsequently may be changed. The initial yields indicated above represent the lower of the yields resulting when priced to maturity or to the first call date. Accrued interest from July 1, 2025 is to be added to the price.

(b) Bonds maturing on or after February 1, 2032, are subject to redemption prior to maturity at the option of the District, as a whole or from time to time in part, on August 1, 2031, or on any date thereafter, at par plus accrued interest from the most recent interest payment date to the date fixed for redemption. See "THE BONDS–Optional Redemption."

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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 ("Rule 15c2-12"), this document may be treated as an Official Statement of the District with respect to the Bonds described herein 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(b)(1).

This Official Statement, when further supplemented by adding information specifying the interest rates and certain other information relating to the Bonds, shall constitute a "Final Official Statement" of the District with respect to the Bonds, as that term is defined in Rule 15c2-12.

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

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

All of the summaries of the statutes, orders, contracts, audited financial statements, engineering and other related reports set forth in this Official Statement are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents, copies of which are available from the District, c/o Sanford Kuhl Hagan Kugle Parker Kahn LLP, 1330 Post Oak Blvd, Suite 2650, Houston, Texas 77056-3004 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 condition of the District or other matters described herein since the date hereof. 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 and thereafter only as specified in "PREPARATION OF OFFICIAL STATEMENT-- Updating the Official Statement" and "CONTINUING DISCLOSURE OF INFORMATION."

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

SALE AND DISTRIBUTION OF THE BONDS

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 prior to delivery of the Bonds stating the prices at which a substantial amount of the Bonds of each maturity has been sold to the public. For this purpose, the term "public" shall not include any person who is a bond house, broker or similar person acting in the capacity of underwriter or wholesaler. Otherwise, the District has no understanding with the Underwriter or control regarding the reoffering yields or prices of the Bonds. Information concerning reoffering yields or prices is the sole responsibility of the Underwriter.

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

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

Securities Laws

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

Underwriter

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

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 inside cover page hereof. The initial offering price may be changed from time to time by the Underwriter within the guidelines prescribed by applicable laws and regulations of the SEC.

Municipal Bond Rating

In connection with the sale of the Bonds, the District made application to Moody's Investors Service, Inc. ("Moody's"), which has assigned a rating of "Baa3" to the Bonds. An explanation of the significance of such rating may be obtained from Moody's. The rating reflects only the view of Moody's, and the District makes no representation as to the appropriateness of such rating.

The District can make no assurance that the Moody's rating will continue for any period of time or that such rating will not be revised downward or withdrawn entirely by Moody's if in the judgment of Moody's circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds. The District is not aware of any rating assigned to the Bonds other than the underlying rating of Moody's.

SUMMARY

The following information is a summary of certain information contained herein and is qualified in its entirety by the more detailed information and financial statements appearing elsewhere in this Official Statement, reference to which is made for all purposes. This summary should not be detached and should be used in conjunction with more complete information contained herein.

- The District -

Issuer/Description	Corinthian Point Municipal Utility District No. 2 (the "District") is a political subdivision of the State of Texas located in Montgomery County, Texas, and was created by an order of the Texas Water Rights Commission (predecessor to the Texas Commission on Environmental Quality) effective October 26, 1971. The District operates pursuant to Chapters 49 and 54 of the Texas Water Code, as amended. The District, with approximately 203 acres, is located approximately 8 miles west of the City of Willis, Texas, 14 miles north of the City of Conroe, Texas, and approximately 55 miles north of the central business district of the City of Houston, Texas. Access to the District is via Interstate Highway 45. The District is not within any city's extraterritorial jurisdiction and is located entirely within Montgomery County, Texas. See "THE DISTRICT."
Authority	The rights, powers, privileges, authority and functions of the District are established by the general laws of the State of Texas pertaining to municipal utility districts, including particularly Chapters 49 and 54, Texas Water Code, as amended. See "THE DISTRICT–Authority."
Development Within The District	Development within the District began in 1971 as the subdivision of Corinthian Point. The entire 203 acres has been developed with water, sanitary sewer and drainage facilities. The District includes 472 single-family lots, with 263 homes completed and 209 vacant lots (most of which are owned by homeowners and adjacent to their homes). There are three condominium sections within the District containing 42 units. Among the amenities are a 36 slip boat marina, six lighted tennis courts and a clubhouse with connecting swimming pool. See "THE DISTRICT." There are currently no commercial homebuilders actively developing property in the District.

- The Bonds -

Description	$4,340,000 Unlimited Tax Bonds, Series 2025 (the "Bonds") are dated July 1, 2025, and bear interest from such date at the rates per annum set forth on the inside cover page hereof, which interest is payable February 1, 2026 and each August 1and February 1 thereafter until the earlier of maturity or redemption. The Bonds mature serially on February 1 in the years 2027 through 2054, both inclusive, in the principal amounts set forth on the inside cover page hereof. The Bonds maturing on and after February 1, 2032, will be callable at the option of the District at par plus any unpaid accrued interest on any date on or after August 1, 2031. See "THE BONDS — Description" and " — Optional Redemption."
Authority for Issuance	The Bonds are the first installment of $30,000,000 unlimited tax bonds authorized at an election held within the District in 2024 (the "Bond Election"), of which $25,660,000 remain authorized but unissued after issuance of the Bonds. The Bonds are issued pursuant to an order authorizing the issuance of the Bonds (the "Bond Order"), Article XVI, Section 59 of the Texas Constitution, Chapters 49 and 54, Texas Water Code, as amended, an order of the Texas Commission on Environmental Quality ("TCEQ"), and the Bond Election. See "THE BONDS--Authority for Issuance."

Source of Payment	Principal of and interest on the Bonds are payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property within the District. The Bonds are obligations of the District and are not obligations of Montgomery County, Texas; the State of Texas; or any political subdivision other than the District. See "THE BONDS — Source of and Security for Payment."
Use of Proceeds	Proceeds of the sale of the Bonds, and the use of $1,759,031 of surplus capital improvement funds, will be used for (i) sanitary sewer rehabilitation, (ii) manhole replacement, (iii) wastewater treatment plant replacement, (iv) wastewater treatment plant lift station replacement, (v) demolition of old wastewater treatment plant, (vi) associated contingencies and engineering fees; and (vii) payment of issuance costs and certain financing costs related to the issuance of the Bonds. See "THE BONDS — Use of Proceeds" and "THE SYSTEM."
Payment Record	The District has never defaulted on the payment of any bond obligation. See "DISTRICT DEBT."
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 the calendar year 2025 is not reasonably expected to exceed $10,000,000. See "TAX EXEMPTION--Qualified Tax-Exempt Obligations."
Book-Entry-Only System	The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of $5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the beneficial owners thereof. Principal of and interest on the Bonds will be payable by the Paying Agent/Registrar (defined herein) to Cede & Co. and Cede & Co. will make distribution of the amounts so paid to the beneficial owners of the Bonds (see 'THE BONDS--Book-Entry-Only System").
Paying Agent/ Registrar	UMB Bank N.A., Houston, Texas
Legal Opinion	Sanford Kuhl Hagan Kugle Parker Kahn LLP, Houston, Texas. See "LEGAL MATTERS."
Disclosure Counsel	Orrick, Herrington & Sutcliffe LLP, Houston, Texas.
Financial Advisor	Blitch Associates, Inc., Houston, Texas.
Municipal Bond Rating	The District made application to Moody's Investors Service, Inc., which has assigned a rating of "Baa3" to the Bonds based upon the District's underlying credit. See "SALE AND DISTRIBUTION OF THE BONDS–Municipal Bond Rating."

RISK FACTORS

THE PURCHASE AND OWNERSHIP OF THE BONDS ARE SUBJECT TO SPECIAL RISK FACTORS AND ALL PROSPECTIVE PURCHASERS ARE URGED TO EXAMINE CAREFULLY THE ENTIRE OFFICIAL STATEMENT WITH RESPECT TO THE INVESTMENT SECURITY OF THE BONDS, INCLUDING PARTICULARLY THE SECTION CAPTIONED "RISK FACTORS."

- Financial Highlights -
(Unaudited)

2024 Taxable Assessed Valuation (100% of Market Value)		$135,983,056	(a)
Direct Debt			
Outstanding Bonds (As of June 1, 2025)		$3,110,000	
The Bonds		4,340,000	
Total Direct Debt		$7,450,000	
Estimated Overlapping Debt		7,610,745	(b)
Direct and Estimated Overlapping Debt		$15,060,745	
Direct Debt Ratios:			
Direct Debt to Value		5.48%	
Direct & Estimated Overlapping Debt to Value		11.08%	
2024 Tax Rate per $100 of Assessed Value			
Debt Service		$0.3000	
Maintenance		0.2005	
Total		$0.5005	
	Current	***Total***	
2023 Tax Collection Percentage	95.02%	96.69%	
Five-Year Average (2019/2023) Collection Percentage	95.94%	99.71%	
Combined Estimated Average Annual Debt Service Requirements (2025/54)		$458,492	
Combined Estimated Maximum Annual Debt Service Requirements (2029)		$477,875	
Combined Tax Rate Required to pay such Combined Requirements at 98%			
Estimated Average (2025/2054)		$0.345	
Estimated Maximum (2026)		$0.359	
Fund Balances as of May 19, 2025 (Cash & Investments)			
General Fund		$1,228,724	
Debt Service Fund		$386,171	(c)
Capital Projects Fund		$1,755,928	

(a) Certified by the Montgomery Central Appraisal District (the "Appraisal District"). All property located in the District is valued on the tax rolls by the Appraisal District as of January 1 of each year. See "TAX PROCEDURES."
(b) See "DISTRICT DEBT--Estimated Overlapping Debt."
(c) At the time of closing, accrued interest from July 1, 2025 to the date of delivery of the Bonds shall be deposited in the Debt Service Fund. Neither Texas law nor the Bond Order requires that the District maintain any particular sum in the Debt Service Fund.

CORINTHIAN POINT MUNICIPAL UTILITY DISTRICT NO. 2
$4,340,000
UNLIMITED TAX BONDS, SERIES 2025

This Official Statement of Corinthian Point Municipal Utility District No. 2 (the "District") is provided to furnish certain information with respect to the sale by the District of its $4,340,000 Unlimited Tax Bonds, Series 2025 (the "Bonds").

The Bonds are issued pursuant to Article XVI, Section 59 of the Texas Constitution, the general laws of the State of Texas, particularly Chapters 49 and 54 of the Texas Water Code, as amended; the Bond Order adopted by the Board of Directors of the District (the "Board"); the Bond Election; and an approving order of the TCEQ. See "THE BONDS."

This Official Statement includes descriptions of the Bonds, the Bond Order and certain other information about the District. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document, copies of which may be obtained by contacting the District, c/o Sanford Kuhl Hagan Kugle Parker Kahn LLP, 1330 Post Oak Blvd, Suite 2650, Houston, Texas 77056-3004.

THE BONDS

Description

The following is a description of some of the terms and conditions of the Bonds, which description is qualified in its entirety by reference to the Bond Order. A copy of the Bond Order may be obtained upon request to the District and payment of the applicable copying charges.

The Bonds will mature on February 1 of the years and in principal amounts, and will bear interest from July 1, 2025, at the rates per annum, set forth on the inside cover page of this Official Statement. Interest on the Bonds will be payable on February 1, 2026, and semiannually thereafter on each August 1 and February 1 until the earlier of maturity or redemption. Principal of and interest on the Bonds will be payable to Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"), by the paying agent/registrar, initially UMB Bank N.A., Houston, Texas (the "Paying Agent/Registrar"). Cede & Co. will make distribution of the principal and interest so paid to the beneficial owners of the Bonds. For so long as DTC shall continue to serve as securities depository for the Bonds, all transfers of beneficial ownership interest will be made by book-entry only and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of the Bonds is to receive, hold or deliver any Bond certificate.

If at any time, DTC ceases to hold the Bonds as securities depository, then principal of the Bonds will be payable to the registered owner at maturity or redemption upon presentation and surrender at the principal payment office of the Paying Agent/Registrar. Interest on the Bonds will be payable by check, dated as of the interest payment date, and mailed by the Paying Agent/Registrar to the registered owners as shown on the records of the Paying Agent/Registrar at the close of business on the 15th day of the month next preceding the interest payment date (the "Record Date").

The Bonds of each maturity will be issued in fully-registered form only in principal amounts of $5,000 or any integral multiple thereof.

If the specified date for any payment of principal (or redemption price) or interest on the Bonds shall be a Saturday, Sunday or legal holiday or equivalent (other than a moratorium) for banking institutions generally in the City of Houston, Texas, such payment may be made on the next succeeding date which is not one of the foregoing days without additional interest and with the same force and effect as if made on the specified date for such payments.

Use of Proceeds

Proceeds of the sale of the Bonds, and the use of $1,759,031 of surplus capital improvement funds, will be used for (i) sanitary sewer rehabilitation, (ii) manhole replacement, (iii) wastewater treatment plant replacement, (iv) wastewater treatment plant lift station replacement, (v) demolition of old wastewater treatment plant, (vi) associated contingencies and engineering fees; and (vii) payment of issuance costs and certain financing costs related to the issuance of the Bonds.

The estimated costs outlined below have been provided by LightPoint Engineering, LLC, Willis, Texas, the District's consulting engineer (the "Engineer"), and reflect a portion of the costs approved by the Texas Commission on Environmental Quality ("TCEQ") of a bond issue of $4,615,000. Blitch Associates, Inc. (the "Financial Advisor") determined that the one year's capitalized interest from Bond proceeds would not be necessary and could be eliminated without affecting the feasibility. The Bonds have been reduced accordingly as shown below.

Non-construction costs are based upon either contract amounts, or estimates of various costs by the Engineer and the Financial Advisor. The actual amounts to be reimbursed by the District and the non-construction costs will be finalized after the sale of the Bonds. *Amounts indicated may not add due to rounding.*

Construction Costs	*As Approved*	*Less*	*The Bonds*
Sanitary Sewer Rehabilitation	$950,000		$950,000
Manhole Replacement	100,000		100,000
Wastewater Treatment Plant Replacement	2,629,800		2,629,800
WWTP Lift Station Replacemwnt	600,000		600,000
Demolition of old WWTP	100,000		100,000
Subtotal	$4,379,800		$4,379,800
Contingency	437,980		437,980
Engineering	656,970		656,970
Subtotal	$5,474,750		$5,474,750
Less: Funds from previous Bond Sales	(1,481,250)		(1,481,250)
Total Construction Costs	$3,993,500		$3,993,500
Non-Construction Costs			
Financial Advisor Fee	$40,381	($2,406)	$37,975
Bond Counsel	92,300	(5,500)	86,800
Bond Discount (3.00%)	138,450	(8,250)	130,200
Capitalized Interest	253,825	(253,825)	0
TCEQ Fee (0.25%)	11,538	(688)	10,850
Attorney General Fee	4,615	(275)	4,340
Bond Application Report	40,000	0	40,000
Costs of Issuance	40,391	(4,056)	36,335
Total Non-Construction Costs	$621,500	($275,000)	$346,500
The Bonds	$4,615,000	($275,000)	$4,340,000

In the instance that approved estimated amounts exceed actual costs, the difference comprises a surplus which may be expended for uses approved by the TCEQ. In the instance that actual costs exceed previously approved estimated amounts and contingencies, additional TCEQ approval and the issuance of additional bonds may be required. The

Engineer has advised the District that the proceeds of the sale of the Bonds should be sufficient to pay the costs of the above-described facilities; however, the District cannot and does not guarantee the sufficiency of such funds for such purposes.

Book-Entry-Only System

This section describes how ownership of the Bonds are to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by DTC, while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The District believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

The District cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the Registered Owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

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

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is a 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 companies 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 Bonds under the DTC system must be made by or through DTC Participants, which will receive a credit for such purchases on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct or 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 interest in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

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

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

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC’s 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 the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC’s receipt of funds and corresponding detail information from the District or Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Paying Agent/Registrar or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or Paying Agent/Registrar, disbursement of such payments to Direct Participants shall 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 securities depository with respect to the Bonds at any time by giving reasonable notice to the District or Paying Agent/Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, Bonds are required to be printed and delivered.

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

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

Use of Certain Terms in Other Sections of this Official Statement

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

Optional Redemption

The District reserves the right, at its option, to redeem the Bonds in whole or in part in principal amounts of $5,000 or any integral multiple thereof on August 1, 2031, or any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. If less than all of the Bonds are to be redeemed, the Paying Agent/Registrar shall select by lot those Bonds to be redeemed.

At least thirty (30) days prior to the date fixed for any such redemption a written notice of such redemption shall be given to the Registered Owner of each Bond or a portion thereof being called for redemption by depositing such notice in the United States mail, first class, postage prepaid, addressed to each such Registered Owner at his address shown on the registration books of the Paying Agent/Registrar; provided, however, that the failure to receive such notice shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or the portions thereof which are to be so redeemed, plus accrued interest to the date fixed for redemption. If a portion of any Bond shall be redeemed, a substitute Bond having the same maturity date, bearing interest at the same rate, in any integral multiple of $5,000, and in aggregate principal amount equal to the unredeemed position thereof, will be issued to the Registered Owner upon the surrender of the Bonds being redeemed, at the expense of the District, all as provided for in the Bond Order.

Ownership

The District, the Paying Agent/Registrar and any agent of either may treat the person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of receiving payment of the principal and the interest thereon, and for all other purposes, whether or not such Bond is overdue. Neither the District, the Paying Agent/Registrar nor any agent of either shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the owner of any Bond in accordance with the Bond Order shall be valid and effective and shall discharge the liability of the District and the Paying Agent/Registrar for such Bond to the extent of the sums paid.

Source of and Security for Payment

The Bonds together with the Outstanding Bonds (hereinafter defined) and such additional unlimited tax bonds as may hereafter be issued by the District will be payable from the proceeds of a continuing direct annual ad valorem tax levied against all taxable property located within the District, all to the extent and subject to the conditions described below.

- Tax Pledge –

The Outstanding Bonds, the Bonds, and any additional tax bonds as may hereafter be issued by the District are payable from the proceeds of a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied against taxable property located within the District. In the Bond Order, the District covenants to levy a sufficient tax to pay the principal of and interest on the Outstanding Bonds and the Bonds with full allowance being made for delinquencies and costs of collection. Collected taxes will be placed in the District's Debt Service Fund (hereinafter defined) and used to pay principal of and interest on the Outstanding Bonds and the Bonds, and on additional bonds payable from taxes which may hereafter be issued by the District.

- Net Revenue Pledge –

The Outstanding Bonds (and any additional bonds issued by the District to which such revenues are pledged) are further payable from, and secured by a pledge of and lien on, certain net revenues, if any, of the District's waterworks and sewer system (the "System"). Net revenues ("Net Revenues") are defined by the Bond Orders for such Outstanding Bonds as all income or increment which may grow out of the ownership and operation of the District's plants, facilities and improvements (as same are purchased, constructed or otherwise acquired), being the gross revenue income, less such portion of such revenue income as reasonably may be required to provide for the administration, efficient operation and adequate maintenance of the District's plants, facilities and improvements, and to establish an operating reserve. It is not expected that the Net Revenues will ever be sufficient to materially contribute to debt service payments on the Outstanding Bonds or the Bonds. The Net Revenues are entirely dependent upon the sale of water and sewer services to residents and users in the District.

Replacement of Paying Agent/Registrar

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

Authority for Issuance

$7,500,000 in waterworks and sewer system combination unlimited tax and revenue bonds were authorized at elections held within the District on December 17, 1971; September 14, 1972; January 18, 1997; and May 11, 2013 and $30,000,000 in unlimited tax bonds and $32,000,000 in unlimited tax refunding bonds were authorized at an election held within the District on May 4, 2024 (collectively, the "Bond Elections"), for the purpose of providing, owning, operating and maintaining improvements and facilities consistent for which the District was created. The Bonds constitute the first installment of the $30,000,000 authorized unlimited tax bonds (the $7,500,000 combination unlimited tax and revenue authorization has previously been issued), $25,660,000 will remain authorized but unissued following issuance of the Bonds. See "Issuance of Additional Debt."

The Bonds are issued pursuant to the Bond Elections, the Bond Order, Chapters 49 and 54 of the Texas Water Code, Article XVI, Section 59 of the Texas Constitution, and an approving Order of the TCEQ.

Outstanding Bonds

The District has previously issued its $4,340,000 Waterworks and Sewer System Combination Unlimited Tax and Revenue Bonds, Series 2014 and $2,400,000 Waterworks and Sewer Combination Unlimited Tax and Revenue Bonds, Series 2021, of which $3,110,000 remain outstanding as of June 1, 2025 (the "Outstanding Bonds"). The District has timely made payments due on the Outstanding Bonds.

Issuance of Additional Debt

The District may issue additional bonds to provide those improvements for which the District was created. Following the issuance of the Bonds, $25,660,000 unlimited tax bonds authorized by the District's voters will remain unissued. The District has no present plans to issue additional debt within the next twelve months.

Depending upon the rate of development and increases in assessed valuation of taxable property within the District and the amount, maturity schedule and time of issuance of such additional bonds, increases in the District's annual tax rate may be required to provide for the payment of the principal of and interest on such additional bonds, the Outstanding Bonds and the Bonds. Additional tax bonds may be voted in the future. The Board is further empowered to issue bond anticipation notes and tax anticipation notes.

The Bond Order imposes no limitation on the amount of additional bonds which may be issued by the District. Any additional bonds issued by the District may be on a parity with the Bonds, and may dilute the security of the Bonds.

Defeasance

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

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.

No Arbitrage

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

Registration, Transfer and Exchange

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

Mutilated, Lost, Stolen or Destroyed Bonds

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

Consolidation

The District has the right to consolidate with other districts and, in connection therewith, to provide for the consolidation of its waterworks, sanitary sewer and drainage system (the "System") with the water and sewer systems of the district or districts with which it is consolidating. Should any such consolidation occur, the net revenues from the operation of the consolidated system would be applied to the payment of principal, interest, redemption price and bank charges on the combination unlimited tax bonds of the District, if any, and of the district or districts with which the District is consolidated without prejudice to any series of bonds, except that bonds with subordinate liens on Net Revenues shall continue to be subordinate. No representations are made that the District will ever consolidate its System with other systems.

Amendments to the Bond Order

The District may, without the consent of or notice to any registered owners of the Bonds (the "Registered Owners"), amend the Bond Order in any manner not detrimental to the interests of the Registered Owners, including the curing of any ambiguity, inconsistency or formal defect or omission therein. In addition, the District may, with the written consent of the Registered Owners of a majority in aggregate principal amount of the Bonds then outstanding affected thereby, amend, add to or rescind any of the provisions of the Bond Order; provided that, without the consent of the Registered Owners of all of the Bonds affected, no such amendment, addition or rescission may (a) extend the time or times of payment of the principal of and interest (or accrual of interest) on the Bonds, or reduce the principal amount thereof or the rate of interest thereon or in any other way modify the terms of payment of the principal of or interest on the Bonds, (b) give preference of any Bond over any other Bond, or (c) extend any waiver of default to subsequent defaults. In addition, a state, consistent with federal law, may in the exercise of its police power make such modifications in the terms and conditions of contractual covenants relating to the payment of indebtedness of a political subdivision as are reasonable and necessary for attainment of an important public purpose.

Registered Owners' Remedies and Effects of Bankruptcy

The Bond Order does not provide for the appointment of a trustee to represent the interests of the Registered Owners upon any failure of the District to perform in accordance with the terms of the Bond Order or upon any other condition and, in the event of any such failure to perform, the Registered Owners would be responsible for the initiation and cost of any legal action to enforce performance of the Bond Order. Furthermore, the Bond Order does not establish specific events of default with respect to the Bonds and, under State law, there is no right to the acceleration of maturity of the Bonds upon the failure of the District to observe any covenant under the Bond Order. A Registered Owner could seek a judgment against the District if a default occurred in the payment of principal of or interest on any such Bonds; however, such judgment could not be satisfied by execution against any property of the District and a suit for monetary damages could be vulnerable to the defense of sovereign immunity. A Registered Owner's only practical remedy, if a default occurs, is a mandamus or mandatory injunction proceeding to compel the District to levy, assess and collect an annual ad valorem tax sufficient to pay principal of and interest on the Bonds as it becomes due or perform other material terms and covenants contained in the Bond Order. In general, Texas courts have held that a writ of mandamus may be issued to require a public official to perform legally imposed ministerial duties necessary for the performance of a valid contract, and Texas law provides that, following their approval by the Texas Attorney General and issuance, the Bonds are valid and binding obligations for all purposes according to their terms. However, the enforcement of any such remedy may be difficult and time consuming and a Registered Owner could be required to enforce such remedy on a periodic basis.

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. Subject to the requirements of Texas law, the District may voluntarily proceed under Chapter 9 of the Federal Bankruptcy Code, 11 U.S.C. Sections 901-946, if the District: (1) is generally authorized to file for federal bankruptcy protection by State law; (2) is insolvent or unable to meet its debts as they mature; (3) desires to effect a plan to adjust such debt; and (4) has either obtained the agreement of or negotiated in good faith with its creditors or is unable to negotiate with its creditors because negotiation is impracticable. Under Texas law, a water control and improvement district such as the District must obtain approval of the TCEQ prior to filing for bankruptcy. The TCEQ must investigate the financial condition of the District and will authorize the District to proceed only if the TCEQ determines that 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.

If the District decides in the future to proceed voluntarily under the Federal Bankruptcy Code, the District would develop and file a plan for the adjustment of its debts, and the Bankruptcy Court would confirm the District's plan if: (1) the plan complies with the applicable provisions of the Federal Bankruptcy Code; (2) all payments to be made in connection with the plan are fully disclosed and reasonable; (3) the District is not prohibited by law from taking any action necessary to carry out the plan; (4) administrative expenses are paid in full; and (5) the plan is in the best interests of creditors and is feasible. If such a plan were confirmed by the bankruptcy court, it could, among other things, affect a Registered Owner by reducing or eliminating the amount of indebtedness, deferring or rearranging the debt service schedule, reducing or eliminating the interest rate, modifying or abrogating collateral or security arrangements, substituting (in whole or in part) other securities, and otherwise compromising and modifying the rights and remedies of such Registered Owner's claim against the District.

Legal Investment and Eligibility to Secure Public Funds in Texas

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

> "(a) All bonds, notes, and other obligations issued by a district shall be legal and authorized investments for all banks, trust companies, building and loan associations, savings and loan associations, insurance companies of all kinds and types, fiduciaries, and trustees, and for all interest and sinking funds and other public funds of

the state, and all agencies, subdivisions, and instrumentalities of the state, including all counties, cities, towns, villages, school districts, and all other kinds and types of districts, public agencies, and bodies politic."

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

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

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

THE DISTRICT

Authority

The District is a municipal utility district created by the Texas Water Rights Commission (predecessor of the TCEQ) by Order dated October 26, 1971. The District operates in accordance with Chapters 49 and 54 of the Texas Water Code, as amended. The District is empowered to purchase, construct, operate, acquire, own, and maintain all water and wastewater facilities, improvements and the control and diversion of storm water. The District may also provide solid waste collection and disposal service and, subject to certain limitations, operate and maintain recreational facilities. Even though the District is authorized by statute to develop parks and recreational facilities, the District does not currently operate parks or recreational facilities. The District is additionally empowered to establish, operate and maintain a fire department, independently or with one or more other conservation and reclamation districts, and to issue bonds for such purposes, after approval by the TCEQ and the District's voters of the District's plans in such regard. The District is subject to the continuing supervisory jurisdiction of the TCEQ.

Management of the District

The District is governed by the Board of Directors, consisting of five directors, which has management control over and management supervision of all affairs of the District. All Board members reside within the District. Directors are elected to serve four-year staggered terms. Elections are held within the District in May of each even-numbered year. The current members and officers of the Board are as follows:

Name	*Title*	*Term Expires May*
Mark Larsen	President	2028
Guy Matelli	Vice President	2026
Daralyn McGuffin	Secretary	2028
Don Carter	Asst. Secretary/Treasurer	2026
Kevin West	Director	2028

The District contracts for the services indicated below:

Auditor - The District's audited financial statements for the year ended April 30, 2024 were prepared by McCall Gibson Swedlund Barfoot Ellis PLLC, Houston, Texas, Certified Public Accountants. See "APPENDIX A" for a copy of the District's April 30, 2024 audited financial statements.

Bond Counsel - The District employs Sanford Kuhl Hagan Kugle Parker Kahn LLP, Houston, Texas, as Bond Counsel in connection with the issuance of the Bonds. The legal fees to be paid to Bond Counsel for services rendered in connection with the issuance of the Bonds are based on a percentage of Bonds actually issued and sold; and therefore, such fees are contingent on the sale and delivery of the Bonds. See "LEGAL MATTERS."

Disclosure Counsel - The District has engaged Orrick, Herrington & Sutcliffe LLP, Houston, Texas, as Disclosure Counsel in connection with the issuance of the Bonds. The legal fees to be paid Disclosure Counsel for services rendered in connection with the issuance of the Bonds are contingent upon the sale and delivery of the Bonds.

Financial Advisor - The District's financial advisor is Blitch Associates, Inc., Houston, Texas.

Engineer - The consulting engineer for the District is LightPoint Engineering, LLC, Willis, Texas.

Operator - The District's System is operated by Water District Management Co., Spring, Texas.

Bookkeeper - The District's Bookkeeper is Claudia Redden & Associate, LLC, Spring, Texas.

Tax Assessor/Collector - The District's Tax Assessor/Collector is Tammy McRae, Montgomery County Tax Assessor/Collector, Conroe, Texas.

Description of the District

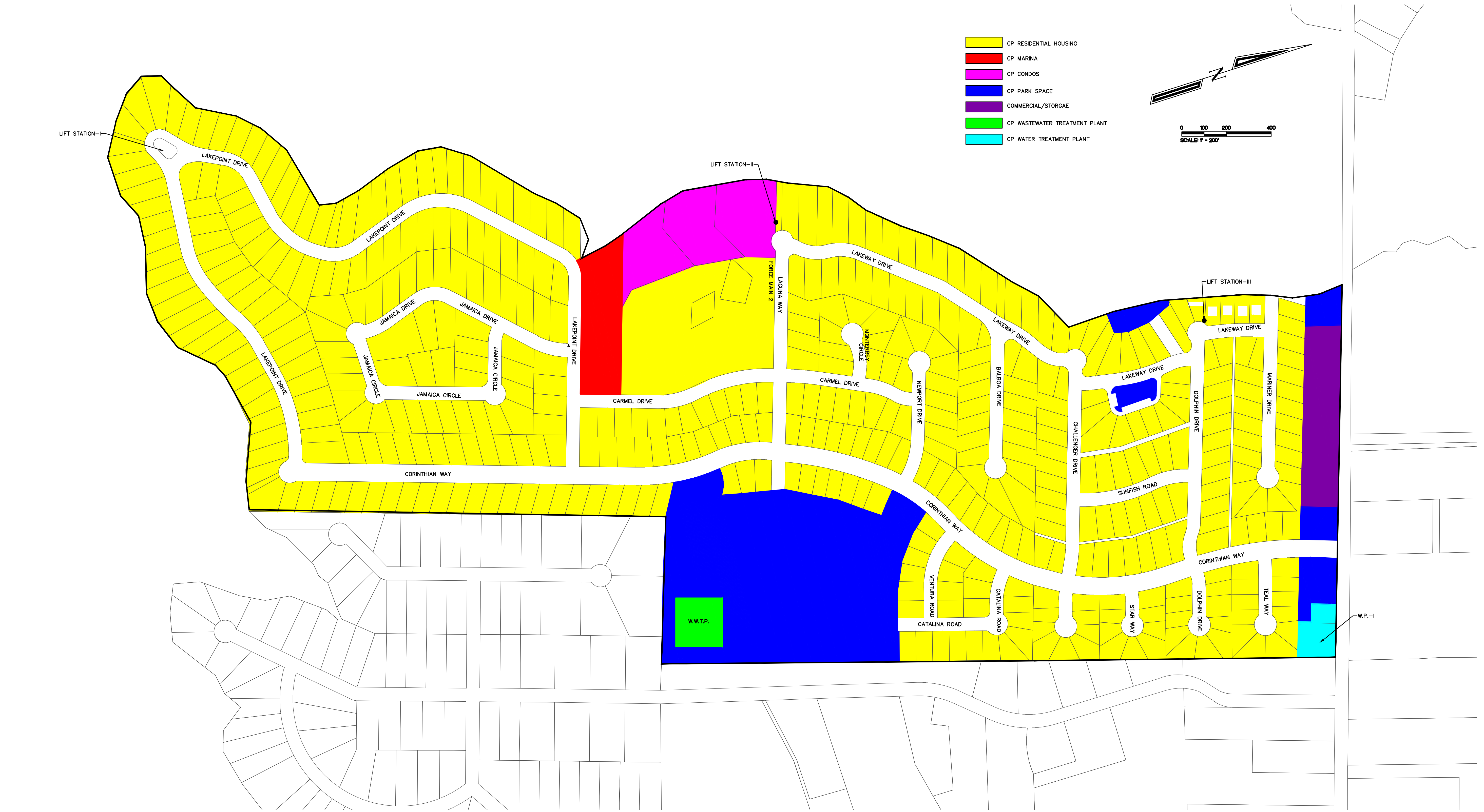
The District, with approximately 203 acres, is located approximately 8 miles west of the City of Willis, Texas, 14 miles north of the City of Conroe, Texas, and approximately 55 miles north of the central business district of the City of Houston, Texas. Access to the District is via Interstate Highway 45. The District is not within any city's extraterritorial jurisdiction and is located entirely within Montgomery County, Texas.

Development within the District began in 1971 as the subdivision of Corinthian Point. The entire 203 acres has been developed with water, sanitary sewer and drainage facilities. The District includes 472 single-family lots, with 263 homes completed and 209 vacant lots (most of which are owned by homeowners and adjacent to their homes). There are three condominium sections within the District containing 42 units. Among the amenities are a 36 slip boat marina, six lighted tennis courts and a clubhouse with connecting swimming pool.

The value of homes (including lot) in the District range from approximately $150,000 to over $1,000,000.

ORIGINAL LAYOUT SIZE - 24X36

Map of the District



PROJECT NAME:	CORINTHIAN POINT MUD 2
PROJECT NUMBER:	GCL702-14
PREPARED FOR:	
DATE:	NOVEMBER 06, 2024

CORINTHIAN POINT MUD 2 LAND USE MAP

LightPoint Engineering, LLC

TBPE Firm No. 18938
604 W. Worsham St., Suite 100
Willis, TX 77378
936-256-2626

Photographs Taken in the District (May 2025)






DISTRICT DEBT

Debt Statement

2024 Taxable Assessed Valuation (100% of Market Value)	$135,983,056	(a)
Direct Debt		
Outstanding Bonds (As of June 1, 2025)	$3,110,000	
The Bonds	4,340,000	
Total Direct Debt	$7,450,000	
Estimated Overlapping Debt	7,610,745	(b)
Direct and Estimated Overlapping Debt	$15,060,745	
Direct Debt Ratios:		
Direct Debt to Value	5.48%	
Direct & Estimated Overlapping Debt to Value	11.08%	
Combined Estimated Average Annual Debt Service Requirements (2025/54)	$458,492	
Combined Estimated Maximum Annual Debt Service Requirements (2029)	$477,875	
Fund Balances as of May 19, 2025 (Cash & Investments)		
General Fund	$1,228,724	
Debt Service Fund	$386,171	(c)
Capital Projects Fund	$1,755,928	

(a) Certified by the Appraisal District. All property located in the District is valued on the tax rolls by the Appraisal District as of January 1 of each year. See "TAX PROCEDURES."
(b) See "Estimated Overlapping Debt.," below.
(c) At the time of closing, accrued interest from July 1, 2025 to the date of delivery of the Bonds shall be deposited in the Debt Service Fund. Neither Texas law nor the Bond Order requires that the District maintain any particular sum in the Debt Service Fund.
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Estimated Overlapping Debt

The following table indicates the indebtedness, defined as outstanding bonds payable from ad valorem taxes, of governmental entities within which the District is located and the estimated percentages and amounts of such indebtedness attributable to property within the District. This information is based upon data secured from the individual jurisdiction and/or the Texas Municipal Reports. Such figures do not indicate the tax burden levied by the applicable taxing jurisdictions for operation and maintenance or for other purposes. See "TAX DATA--Estimated Overlapping Taxes."

Jurisdiction	***Debt As Of June 1, 2025***	***Overlapping Percent***	***Overlapping Amount***
Lone Star College System	$471,270,000	0.041%	$193,221
Montgomery County	391,910,000	0.133%	521,240
Montgomery County Hospital District	None	0.133%	0
Willis Independent School District	363,920,000	1.895%	6,896,284
Estimated Overlapping Debt			$7,610,745
The District (includes the Bonds)			7,450,000
Total Direct & Estimated Overlapping Debt			$15,060,745

Pro Forma Debt Service Schedule

The following sets forth the debt service requirements on the District's Outstanding Bonds and, assuming a 5.50% estimated interest rate, on the Bonds. (*Note: Totals may not add due to rounding*)

Year	*Outstanding Debt Service*	*The Bonds Principal*	*The Bonds Interest*	*The Bonds Total D/S*	*Grand Total Debt Service*
2025	$198,798				$198,798
2026	199,645		$258,592	$258,592	458,237
2027	200,128	$40,000	237,600	277,600	477,728
2028	200,175	40,000	235,400	275,400	475,575
2029	199,813	45,000	233,063	278,063	477,875
2030	198,991	45,000	230,588	275,588	474,578
2031	202,569	45,000	228,113	273,113	475,681
2032	197,169	50,000	225,500	275,500	472,669
2033	198,044	55,000	222,613	277,613	475,656
2034	193,844	60,000	219,450	279,450	473,294
2035	194,931	60,000	216,150	276,150	471,081
2036	191,306	65,000	212,713	277,713	469,019
2037	192,525	70,000	209,000	279,000	471,525
2038	193,522	70,000	205,150	275,150	468,672
2039	194,388	75,000	201,163	276,163	470,550
2040	195,122	75,000	197,038	272,038	467,159
2041	190,791	85,000	192,638	277,638	468,428
2042	191,394	90,000	187,825	277,825	469,219
2043	191,866	90,000	182,875	272,875	464,741
2044	192,206	95,000	177,788	272,788	464,994
2045	192,416	100,000	172,425	272,425	464,841
2046	192,494	105,000	166,788	271,788	464,281
2047	0	310,000	155,375	465,375	465,375
2048	0	325,000	137,913	462,913	462,913
2049	0	340,000	119,625	459,625	459,625
2050	0	360,000	100,375	460,375	460,375
2051	0	380,000	80,025	460,025	460,025
2052	0	400,000	58,575	458,575	458,575
2053	0	420,000	36,025	456,025	456,025
2054	0	445,000	12,238	457,238	457,238
	$4,302,133	$4,340,000	$5,112,617	$9,452,617	$13,754,749

Estimated Average Annual Debt Service (2025/2054)	$ 458,492
Estimated Maximum Annual Debt Service (2029)	$ 477,875

Historical Operations of the Debt Service Fund

The following statement sets forth in condensed form the historical operations of the District's Debt Service Fund (the "Debt Service Fund"). Such information has been prepared based upon information obtained from the District's audited financial statements, reference to which is made for further and complete information.

	Fiscal Year Ended April 30,				
	2024	***2023***	***2022***	***2021***	***2020***
Revenues					
Tax Revenues	$188,861	$197,181	$190,013	$129,290	$132,090
Interest & Other Income	9,725	6,475	1,562	793	3,474
Total Revenues	$198,586	$203,656	$191,575	$130,083	$135,564
Expenditures					
Bond Principal	$95,000	$90,000	$85,000	$80,000	$80,000
Bond Interest & Fees	104,360	107,510	58,204	48,479	50,879
Cost of Collections	6,686	4,314	4,004	4,414	3,558
Total Expenses	$206,046	$201,824	$147,208	$132,893	$134,437
Net Revenues	($7,460)	$1,832	$44,367	($2,810)	$1,127
Fund Balance, May 1	174,101	172,269	127,902	130,712	129,585
Fund Balance, April 30	$166,641	$174,101	$172,629	$127,902	$130,712
Cash & Inv, April 30	$250,950	$106,825	$197,478	$129,632	$126,047

TAX 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 sufficient amount to pay the principal of and interest on the District's Outstanding Bonds, the Bonds and any additional bonds payable from taxes which the District may hereafter issue, and to pay the expenses of assessing and collecting such taxes. The Board is also authorized to levy and collect annual ad valorem taxes for the administration, operation and maintenance of the District and its properties and for the payment of certain contractual obligations other than bonds if such taxes are authorized by vote of the District's electors at an election. At an election held within the District on January 8, 1972, the voters in the District authorized the levy of a maintenance and operation tax without limit. For the 2024 tax year, a maintenance and operation tax of $0.2005 per $100 assessed value was levied within the District.

Property Subject to Taxation by the District

Except for certain exemptions provided by Texas law, all real property, tangible personal property held or used for the production of income, mobile homes, and certain categories of intangible personal property with a tax situs in the District are subject to taxation by the District; however, no effort is expected to be made to levy taxes against tangible or intangible personal property not devoted to commercial or industrial use. Principal categories of exempt real property include 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; non-profit cemeteries; certain household goods, family supplies and personal effects; and certain property owned by qualified charitable, religious, veterans, youth, fraternal, or educational organizations. Goods, wares, ores, and merchandise (other than oil, gas or petroleum products) that are acquired in or imported into the state and forwarded out of state within 175 days thereafter are also exempt. Property owned by a disabled veteran or by the spouse or certain children of a deceased disabled veteran or a veteran who died while on active duty is exempt to between $5,000 and $12,000 depending on the disability rating of the veteran. State law further mandates a complete exemption for the residential homestead of disabled veterans determined to be 100% disabled by the U.S. Department of Veterans Affairs. 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 such exemption on the same property to which the disabled veteran's exemption applied, including, effective January 1, 2016, the surviving spouse of a disabled veteran who would have qualified for such an exemption if such an exemption had been in effect on the date the disabled veteran died. A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran's disability rating if the residence homestead was donated by a charitable organization. Also, the surviving spouse of a member of the armed forces who was killed in action is, subject to certain conditions, entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse.

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

If approved by the Board or through a process of petition and referendum by the District's voters, residence homesteads of certain persons who are disabled or at least 65 years old are exempt to the extent of $3,000 or such higher amount, as the Board or the District's voters may approve. The District's tax assessor 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. The District currently grants a homestead exemption of $30,000 to persons who are 65 years of age or older and to disabled homestead owners.

Residential Homestead Exemptions: The Board also may exempt up to 20% of the market value of residential homesteads from ad valorem taxation. Such exemption would be in addition to any other applicable exemptions provided by law. However, if ad valorem taxes have previously been pledged for the payment of debt and the granting of the homestead exemption would impair the obligation or the contract by which the debt was created, then the Board may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged. The Board currently grants a 3% homestead exemption.

Freeport Goods Exemption: Freeport goods are goods, wares, merchandise, other tangible personal property and ores, other than oil, natural gas and other petroleum products, which have been acquired or brought into the state for assembling, storing, manufacturing, repair, maintenance, processing or fabricating or used to repair or maintain aircraft of a certified air carrier and will be shipped out of the state within 175 days. As the result of a state constitutional amendment passed by Texas voters on November 7, 1989, good in transit ("freeport goods") are exempted from taxation by the District effective January 1, 1990.

Goods-In-Transit Exemption: Article VIII, Section 1-n of the Texas Constitution provides for the exemption from taxation of "goods-in-transit." "Goods-in-transit" is defined by a provision of the Property Tax Code, which is effective for tax year 2011 and prior applicable years, as personal property acquired or imported into Texas and transported to another location in the State or outside of the State within 175 days of the date the property was acquired or imported into Texas. The exemption excludes oil, natural gas, petroleum products, aircraft and special inventory, including motor vehicle, vessel and out-board motor, heavy equipment and manufactured housing inventory. For tax year 2012 and subsequent years, such Goods-In-Transit Exemption is limited to tangible personal property acquired in or imported into Texas for storage purposes and which is stored under a contract of bailment by a public warehouse operator at one or more 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. The Property Tax Code provision permits local governmental entities, on a local option basis, to take official action by January 1 of the year preceding a tax year, after holding a public hearing, to tax goods-in-transit during the following tax year. A taxpayer may receive only one of the Freeport exemptions or the goods-in-transit exemptions for items of personal property. The District has taken official action to not provide such exemptions.

Reinvestment Zone: Montgomery County may designate all or part of the area within the District as a reinvestment zone, and the District, Montgomery County and Willis Independent School District may thereafter enter into tax abatement agreements with owners of real property within the zone. The tax abatement agreements may exempt from ad valorem taxation by the applicable taxing jurisdiction, for a period of up to 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 a comprehensive plan. None of the area within the District has been designated as a reinvestment zone to date.

Valuation of Property for Taxation

The Texas Property Tax Code (the "Property Tax Code") establishes an appraisal district and an appraisal review board in each county of the State of Texas. The appraisal district is governed by a board of directors which is elected by the governing bodies of cities, towns, the county, school districts and, if entitled to vote, the conservation and reclamation districts that participate in the appraisal district, and of the county. The board of directors selects a chief appraiser to manage the appraisal office of the appraisal district. The Appraisal Districts are responsible for appraising property within the District, subject to review by the their respective Appraisal Review Boards (the "Appraisal Review Boards"). The appraisal roll approved by the Appraisal Review Boards must be used by the District in establishing its tax rolls and tax rate. The valuation and assessment of taxable property within the District is governed by the Property Tax Code.

During the 2nd Special Session, convened on June 27, 2023, the Texas Legislature passed Senate Bill 2 (“SB 2”), which, among other things, includes provisions that prohibit an appraisal district from increasing the appraised value of real property during the 2024 tax year on non-homestead properties (the “Subjected Property”) whose appraised values are not more than $5,000,000 (the “Maximum Property Value”) to an amount not to exceed the lesser of: (1) the market value of the Subjected Property for the most recent tax year that the market value was determined by the appraisal office or (2) the sum of: (a) 20 percent of the appraised value of the Subjected Property for the preceding tax year; (b) the appraised value of the Subjected Property for the preceding tax year; and (c) the market value of all new improvements to the Subjected Property. After the 2024 tax year, through December 31, 2026, the Maximum Property Value may be increased or decreased by the product of the preceding state fiscal year’s increase or decrease in consumer price index, as applicable, to the Maximum Property Value. SB 2 was signed into law by the Governor of Texas (the “Governor”) on July 22, 2023. The provisions described hereinabove took effect January 1, 2024, after the constitutional amendment proposed by H.J.R. 2, 88th Legislature, 2nd Called Session, 2023, was approved by voters at an election held on November 7, 2023.

District and Taxpayer Remedies

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

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

Assessment and Levy

Generally, all taxable property in the District (other than any qualifying agricultural or timber land) must be appraised at 100% of market value as of January 1 of each tax year, subject to review and approval by the Appraisal Review Board. However, houses held for sale by a developer or builder which remain unoccupied, are not leased or rented, and produce no income are required to be assessed at the price for which they would sell as a unit to a purchaser who would continue the owner's business. Valuation of houses at inventory level in future years could reduce the assessed value of developer and builder house inventory within the District. Certain land may be appraised at less than market value under the Property Tax Code. Upon application of a landowner, land which qualifies as "open-space land" is appraised based on the category of land, agriculture and hunting or recreational leases. Once an appraisal roll is prepared and approved by the Appraisal Review Boards it is used by the District in establishing its tax rate.

The Property Tax Code requires the Appraisal Districts to implement a plan for periodic reappraisal of property to update appraisal values. The plan must provide for appraisal of all property in the Appraisal Districts at least once every three (3) years. It is not known what frequency of reappraisal will be utilized by the Appraisal Districts 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.

The chief appraiser must give written notice to each owner if the appraised value of his property is greater than it was in the preceding year, if the appraised value of the property is greater than the value rendered by the property owner, or if the property was not on the appraisal roll in the preceding year. In addition, the chief appraiser must give written notice to each property owner whose property was reappraised in the current year or if ownership of the property changed during the preceding year. The Appraisal Review Board has the ultimate responsibility for determining the value of all taxable property within the District; however, any owner who has timely filed notice with the Appraisal Review Boards may appeal the final determination by the Appraisal Review Board by filing suit in Texas district court. Prior to such appeal and prior to the delinquency date, however, the owner must pay the tax due on the amount of value of the property involved that is not in dispute or the amount of tax paid in the prior year, whichever is greater, or the amount of tax due under the order from which the appeal is taken. In the event of such suit, the value of the property is determined by the court, or a jury if requested by any party. Additionally, the District is entitled to challenge certain matters before the Appraisal Review Board, including the level of appraisals of a certain category of property, the exclusion of property from the appraisal records, or the grant in whole or in part of a partial exemption. The District may not, however, protest a valuation of individual property.

The rate of taxation is set by the Board of the District based upon the valuation of property within the District as of the preceding January 1 and based upon the amount required to be raised for debt service, maintenance purposes and authorized contractual obligations.

The District is responsible for the levy and collection of its taxes and will continue to do so unless the Board or the qualified voters of the District at an election held for such purpose determines to transfer such functions to the Appraisal District or another taxing unit.

Collection

Taxes are due on receipt of the tax bill and become delinquent after January 31 of the following year. However, a person over 65 years of age is entitled by law to pay current taxes on his residence homestead in installments or to defer taxes without penalty during the time he owns and occupies the property as his residence homestead. The date of the delinquency of a tax bill may be postponed if the tax bill is mailed after January 10. Delinquent taxes are subject to a six percent (6%) penalty for the first month of delinquency, one percent (1%) for each month thereafter to June 30 and twelve percent (12%) total if any taxes are unpaid on July 1. Delinquent taxes also accrue interest at the rate of one percent (1%) per month during the period they remain outstanding. In addition, if the District engages an attorney for collection of delinquent taxes, the Board may impose a further penalty not to exceed twenty percent (20%) on all taxes, penalty and interest unpaid on July 1.

Taxes levied by the District are a personal obligation of the person who owns or acquires the property on January 1 of the year for which the tax is imposed. The District has a statutory lien for unpaid taxes on real property against which the taxes are assessed. In the event a taxpayer fails to make timely payment of taxes due the District, the District may file suit to foreclose its lien securing payment of the tax, to enforce personal liability for the tax, or both. The District's tax lien is on a parity with the tax liens of the other state and local jurisdictions levying taxes on property within the District. 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. In the absence of such federal law, the District's tax lien takes priority over a lien of the United States. Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other federal, state and local taxing jurisdictions, by effects of the foreclosure sale price attributable to market conditions, by taxpayer redemption rights, or by bankruptcy proceedings which restrain the collection of a taxpayer's debts.

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 in writing and has not entered into an installment agreement with the collector in the preceding 24 months. The installment agreement must provide for payments to be made in monthly installments and must extend for a period of at least 12 months and no more than 36 months. Additionally, the owner of a residential homestead property who is (i) sixty-five (65) years of age or older, (ii) disabled, or (iii) a disabled veteran, is entitled by law to pay current taxes on a residential homestead in installments without penalty or to defer the payment of taxes during the time of ownership. In the instance of tax deferral, a tax lien remains on the property and interest continues 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 "Special Taxing Units." Districts that have financed, completed, and issued bonds to pay for all improvements and facilities necessary to serve at least 95% of the projected build-out of the district are classified as "Developed Districts." Districts that do not meet either of the classifications previously discussed can be classified herein as "Developing Districts." The impact each classification has on the ability of a district to increase its maintenance and operations tax rate is described for each classification below.

Debt service tax rates cannot be reduced by a rollback election held within any of the districts described below.

Special Taxing Units

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

Developed Districts

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

Developing Districts

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

The District

A determination as to a district's status as a Special Taxing Unit, Developed District or Developing District will be made by the Board of Directors on an annual basis. For the 2024 tax year, the Board of Directors of the District determined the District's status to be that of a Developing District. The District cannot give any assurances as to what its classification will be at any point in time or whether the District's future tax rates will result in a total tax rate that will reclassify the District into a new classification and new election calculation.

District's Rights in the Event of Tax Delinquencies

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

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

Reappraisal of Property

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

Tax Exemption for Property Damaged by Disaster

The Property Tax Code provides for a temporary exemption from ad valorem taxation of a portion of the appraised value of certain property that is at least 15% 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 natural disaster area and whose property has been damaged as a direct result of the disaster, are entitled to enter into a tax payment installment agreement with a taxing jurisdiction such as the District if the tax payer pays at least one-fourth of the tax bill imposed on the property by the delinquency date. The remaining taxes may be paid without penalty or interest in three equal installments within six months of the delinquency date.

Additionally, the Texas Tax Code authorizes a taxing jurisdiction such as the District, solely at the 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.

The Effect of FIRREA on Tax Collections of the District

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

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

To the extent that the FDIC attempts to enforce the same, these provisions may affect the timeliness of collection of taxes on property, if any, owned by the FDIC in the District and may prevent the collection of penalties and interest on such taxes or may affect the valuation of such property.

TAX DATA

General

All taxable property within the District is subject to the assessment, levy and collection by the District of a continuing, direct annual ad valorem tax, without legal limitation as to rate or amount, sufficient to pay principal of and interest on the Outstanding Bonds, the Bonds, and any future tax-supported bonds which may be issued from time to time as may be authorized. Taxes are levied by the District each year against the District's assessed valuation as of January 1 of that year. Taxes become due October 1 of such year, or when billed, and become delinquent after January 31 of the following year. The Board covenants in the Bond Order to assess and levy for each year that all or any part of the Bonds remain outstanding and unpaid a tax ample and sufficient to produce funds to pay the principal and interest on the Bonds when due. The actual rate of such tax will be determined from year to year as a function of the District's tax base, its debt service requirements and available funds.

Tax Collection History

The following table indicates the collection history for taxes assessed by the District:

Tax Year	*Taxable Valuation*	*D/S Tax Rate*	*M&O Tax Rate*	*Total Tax Rate*	*Tax Levy*	*Percent Current*	*Percent Total*	*FYE Apr 30*
2010	$51,145,472	$0.2679	$0.3059	$0.5738	$335,183	96.55%	100.27%	2011
2011	60,058,269	0.2334	0.3059	0.5393	323,897	97.09%	100.17%	2012
2012	60,498,656	0.2362	0.3031	0.5393	326,269	97.89%	100.63%	2013
2013	62,810,906	0.2250	0.3143	0.5393	338,736	96.68%	98.59%	2014
2014	67,799,478	0.1948	0.2843	0.4791	324,832	96.87%	99.92%	2015
2015	76,185,464	0.1720	0.2635	0.4355	331,788	96.97%	101.34%	2016
2016	81,701,147	0.1572	0.2457	0.4029	329,279	97.72%	100.71%	2017
2017	85,110,296	0.1500	0.2400	0.3900	331,930	97.91%	100.55%	2018
2018	89,504,709	0.1427	0.2223	0.3650	326,693	96.11%	98.06%	2019
2019	94,081,846	0.1392	0.2304	0.3696	347,730	97.82%	100.75%	2020
2020	92,853,613	0.1392	0.2415	0.3807	353,606	97.20%	100.15%	2021
2021	97,024,690	0.1950	0.2065	0.4015	390,706	97.30%	100.97%	2022
2022	112,856,557	0.1764	0.1989	0.3753	423,413	97.37%	99.99%	2023
2023	115,944,653	0.1540	0.2070	0.3610	455,518	95.02%	96.69%	2024
2024	135,983,056	0.3000	0.2005	0.5005	674,842	95.45%	96.32%	2025(a)

(a) Collections from 10/1/2024 to 4/30/2025 only.

Tax Rate Calculations

The tax rate calculations set forth below are presented to indicate the tax rates per $100 of assessed valuation which would be required to meet certain debt service requirements if no growth in the District's tax base occurs beyond the

2024 Taxable Value ($135,983,056). The calculations assume collection of 98% of taxes levied and the sale of no additional bonds (other than the Bonds) by the District.

Combined Estimated Average Annual Debt Service Requirements (2025/2054)	$458,492
Tax Rate of $0.345 on the 2024 Taxable Value produces	$459,759
Combined Estimated Maximum Annual Debt Service Requirements (2029)	$477,875
Tax Rate of $0.359 on the 2024 Taxable Value produces	$478,416

Principal Taxpayers

Name of Taxpayer	***Type of Property***	***2024 Taxable Ass'd Value***	***% of Total***	***2023 Taxable Ass'd Value***	***% of Total***
Steven & Lynne Charbonneau	Residence	$1,600,000	1.18%	$1,600,000	1.27%
Carey & Linda Stanly	Residence	1,568,203	1.15%	1,358,604	1.08%
Mary Ficarra Jr	Residence	1,246,656	0.92%	1,265,528	1.00%
Harold McDonald Jr	Residence	1,218,059	0.90%	1,104,599	0.88%
Lee & Leigh Cotton	Residence	1,065,094	0.78%	965,540	0.77%
Shawn & Kimberly Burns	Residence	1,056,780	0.78%	(a)	
Randall & Terri Norwood	Residence	997,173	0.73%	974,030	0.77%
Oneil & Katherine Toups	Residence	979,731	0.72%	(a)	
Hoan & Janett Ngo	Residence	959,968	0.71%	945,020	0.75%
Troy & Kimberly Perkins	Residence	945,108	0.70%	(a)	
Ronald & Kristen Arnett	Residence	(a)		982,830	0.78%
Robert & Carolyn Overton	Residence	(a)		938,100	0.74%
Dennis & Ashley Odneal	Residence	(a)		925,972	0.73%
		$11,636,772	8.56%	$11,060,223	8.77%

(a) Not among the top ten in this year.

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 a parity with tax liens of other taxing jurisdictions. In addition to ad valorem taxes required to make debt service payments on bonded debt of the District and of such other jurisdictions, 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.

Taxing Entities	*2024 Tax Rates Per $100 A/V*
Lone Star College System	$0.1076
Montgomery County	0.3790
Montgomery County Emergency Service District No. 1	0.1000
Montgomery County Hospital District	0.0497
Willis Independent School District	1.0349
Overlapping Taxes	$1.6712
The District	0.5005
Total Direct & Overlapping Taxes	$2.1717

Analysis of Tax Base

Based on information provided to the District by its Tax Assessor/Collector, the following represents the composition of property comprising the tax roll valuations for each of the years indicated:

	2024 Amount	2024 %'s	2023 Amount	2023 %'s
Land	$23,526,351	15.40%	$21,795,560	15.72%
Improvements	128,198,042	83.93%	115,958,390	83.61%
Personal Property	1,027,760	0.67%	936,545	0.68%
Subtotal	$152,752,153		$138,690,495	
Less Exemptions	(16,739,130)		(22,745,842)	
Total Taxable Value	$136,013,023		$115,944,653	

	2022 Amount	2022 %'s	2021 Amount	2021 %'s
Land	$22,250,440	17.84%	$22,889,020	22.42%
Improvements	101,614,390	81.59%	78,525,950	76.92%
Personal Property	848,858	0.68%	670,551	0.66%
Subtotal	$124,713,688		$102,085,521	
Less Exemptions	(18,639,361)		(7,512,804)	
Total Taxable Value	$106,074,327		$94,572,717	

Note: Values shown above may reflect original certified amounts and may differ from those shown elsewhere herein.

THE SYSTEM

Regulation

The water and wastewater facilities serving land within the District (the "System") have been designed in conformance with accepted engineering practices and the requirements of certain governmental agencies having regulatory or supervisory jurisdiction over the construction and operation of such facilities including, among others, the TCEQ, and the Montgomery County Engineering Department. During construction, facilities are subject to inspection by the District's Engineer and the foregoing governmental agencies.

Operation of the District's System is subject to regulation by, among others, the United States Environmental Protection Agency and the TCEQ. 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

According to the District's Engineer, the total number of connections projected for the District at full development of approximately 203 acres located in the District is 472 equivalent connections to serve the projected population of approximately 1,600 persons. A description of the primary components of the System follows and is based upon information supplied by the Engineer based on drawings and data furnished by others.

Proceeds of the sale of the Outstanding Bonds were used to finance the construction or acquisition of underground water supply, water distribution lines, wastewater collection lines, lift stations and stormwater drainage facilities to serve an aggregate of approximately 472 fully developed single-family lots in the District, along with condominium development and various amenities. Except for land designated for public use, rights-of-way and easements, there is no land within the District not considered as developable.

- Wastewater System -

The District's existing wastewater treatment plant has a permitted discharge capacity of 174,000 gallons per day ("gpd"), with full development of the District expected to require only a total of 150,000 gpd.

- Water System -

The District currently owns a complete water plant, with three water wells with a combined capacity of 1,288 gallons per minute ("gpm"), a 372,000 gallon ground storage tank and an 88,000 gallon ground storage tank, a 10,000 gallon hydropneumatic tank, three booster pumps with a combined capacity of 1,200 gpm, electrical controls and appurtenant equipment. The existing water system is capable of serving up to 350 equivalent connections; additional booster pumps would be required to serve the 500 equivalent connections at full development. The District has no existing interconnect with any other water system.

- Stormwater Drainage -

The District's internal stormwater drainage facilities are open ditches in the streets and underground sewer. Both underground sewer pipe and open ditch discharge into Lake Conroe. No portion of the District is located within the official floodplain.

Rate Order

The District's utility rate order, subject to change from time to time by Board, is summarized in part below and became effective on February 22, 2023:

-Water Rates-

Residential	
First 5,000 gallons	$35.00 minimum
Next 2,000 gallons	$2.10/1,000 gallons
Next 2,000 gallons	$2.30/1,000 gallons
Next 2,000 gallons	$2.70/1,000 gallons
Next 2,000 gallons	$2.95/1,000 gallons
Next 2,000 gallons	$3.70/1,000 gallons
Next 2,000 gallons	$4.45/1,000 gallons
Next 2,000 gallons	$4.70/1,000 gallons
Next 2,000 gallons	$5.45/1,000 gallons
Over 21,000 gallons	$6.20/1,000 gallons

In addition, each customer will pay 110% of the San Jacinto River Authority assessments, which rate is currently $2.67 per 1,000 gallons. Additionally, a fee of $0.085 per 1,000 gallons is charged for the Lone Star Groundwater Conservation District.

-Sewer Rates-

Residential	$53.00 Flat Rate per month

Historical Operations of the General Operating Fund

The following statement sets forth in condensed form the historical operations of the District's General Operating Fund. Accounting principles customarily employed in the determination of net revenues have been observed and in all instances exclude depreciation. Except for the fiscal year ending April 30, 2025 (extracted from bookkeeping reports), such information has been prepared based upon information obtained from the District's audited financial statements, reference to which is made for further and complete information. The Bonds are payable from the levy of an ad valorem tax , without limitation as to rate or amount, upon taxable property in the District. This table is provided for informational purposes only. The District makes no representation as to Net Revenues, if any, that may be available for debt service of the Bonds in the future.

	Fisca l Year Ended April 30,					
	2025(a)	2024	2023	2022	2021	2020
Revenues						
Water & Sewer Service	$448,223	$452,190	$375,436	$262,554	$261,575	$249,018
Property Taxes	254,587	251,594	223,267	204,477	224,755	218,241
Other Revenues	164,683	206,770	166,236	63,228	43,134	40,947
Total Revenues	$867,493	$910,554	$764,939	$530,259	$529,464	$508,206
Expenses						
Professional Fees	$200,055	$124,263	$64,681	$76,185	$72,138	$73,856
Contracted Services	181,090	187,047	176,729	139,412	120,800	120,646
Utilities	39,199	39,752	53,035	36,706	41,035	33,880
Repairs & Maintenance	203,178	181,607	269,206	172,103	126,755	126,031
Other Expense	121,245	134,614	134,099	109,032	83,437	95,689
Total Expenditures	$744,767	$667,283	$697,750	$533,438	$444,165	$450,102
Net Revenue (Expense)	$122,726	$243,271	$67,189	($3,179)	$85,299	$58,104
Beginning Fund Balance		968,579	1,128,599	871,843	1,202,085	1,192,399
Transfers In (Out)	50,882	0	0	317,560	0	0
Capital Outlay	(24,250)	0	(227,209)	(57,625)	(415,541)	(48,418)
Ending Fund Balance		$1,211,850	$968,579	$1,128,599	$871,843	$1,202,085
Ending Cash/Inv. (b)		$1,062,129	$1,073,734	$1,081,247	$1,075,139	$1,237,112
% of Expenditures		159.17%	153.89%	202.69%	242.06%	274.85%
Ending Active Customers		327	323	315	312	307

(a) Unaudited; extracted from District records.
(b) Exclusive of customer deposits.

RISK FACTORS

General

The Bonds, which are obligations of the District and are not obligations of the State of Texas, Montgomery County, Texas, or any other political subdivision, will be secured by a continuing, direct, annual ad valorem tax, without legal limitation as to rate or amount, on all taxable property within the District. The ultimate security for payment of the principal of and interest on the Bonds depends on the ability of the District to collect from the property owners within the District all taxes levied against the property, or in the event of foreclosure, on the value of the taxable property with respect to taxes levied by the District and by other taxing authorities. At this point in the development of the District, the potential increase in taxable values of property is directly related to the demand for commercial and residential development, not only because of general economic conditions, but also due to particular factors discussed below.

Factors Affecting Taxable Values and Tax Payments

Economic Factors: The growth of taxable values in the District is directly related to the vitality of the commercial development and housing and building industry in the Houston metropolitan area. The housing and building industry has historically been a cyclical industry, affected by both short and long-term interest rates, availability of mortgage and development funds, labor conditions and general economic conditions. During the late 1980s, an oversupply of single-family residential housing in the Houston metropolitan market and the general downturn in the Houston economy adversely affected the local residential development and construction industries. In addition to a decline in housing demand, mortgage foreclosure by private banks and government and financial institutions depressed housing prices and the value of residential real estate in the Houston metropolitan area. The Houston economy is still dependent on energy prices and a precipitous decline in such prices could result in additional adverse effects on the economy.

Maximum Impact on District Rates: Assuming no further development, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of District property owners to pay their taxes. The 2024 Taxable Valuation is $135,983,056. See “TAX DATA.” After issuance of the Bonds, the combined estimated maximum annual debt service requirement (2029) is $477,875 and the combined estimated average annual debt service requirements (2025/2054) is $458,492. Assuming no increase or decrease from the 2024 Taxable Valuation and no use of funds other than tax collections, tax rates of $0.359 and $0.345 per $100 assessed valuation at a 98% collection rate against the 2024 Assessed Valuation would be necessary to pay the combined maximum and combined annual debt service requirements, respectively. The Board levied a 2024 tax rate of $0.3000 for debt service purposes and $0.2005 for maintenance purposes. See "DISTRICT DEBT–Pro Forma Debt Service Schedule" and "TAX DATA--Tax Rate Calculations."

Natural Disaster Declarations: The Governor of the State of Texas, Greg Abbott, issued a Severe Weather Disaster Declaration on April 30, 2024, which was subsequently amended on May 2, 2024, May 7, 2024, May 15, 2024, and May 20, 2024, certifying the severe storms and flooding that began on April 26, 2024 caused widespread and severe property damage, injury, or loss of life and declaring a disaster in several counties through out the State of Texas, including Montgomery County, Texas, in which the District is located. Additionally, the President of the United States of America, Joe Biden, issued a Major Disaster Declaration declaring a major disaster exists in the State of Texas as a result of severe weather and flooding beginning April 26, 2024 and making federal funding available to affected individuals in seven counties in the State of Texas, including Montgomery County, Texas, in which the District is located. Property in the District damaged by natural disasters in a declared disaster area may impact the taxable values of the property and the timing of tax payments by the tax payer. See “TAX PROCEDURES – Temporary Tax Exemptions for Property Damaged by Disaster” and “TAX PROCEDURES – Tax Payment Installments after Disaster” and “Extreme Weather Events.”

Hurricane Harvey

The Houston area, including Montgomery County, Texas, 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 the District, eight homes within the District flooded from rising water from the lake, all of which are currently occupied; one home burned down.

Extreme Weather Events

The greater Houston area, including the District, is subject to occasional severe weather events, including tornadoes, flooding, tropical storms, and hurricanes. If the District were to sustain damage to its facilities requiring substantial repair or replacement, or if substantial damage were to occur to taxable property within the District as a result of such a weather event, the investment security of the Bonds could be adversely affected.

The greater Houston area has experienced multiple storms exceeding a 0.2% probability (i.e., a "500-year flood" event) since 2015, including Hurricane Harvey, which made landfall along the Texas Gulf Coast on August 25, 2017, and brought historic levels of rainfall during the successive four days. According to the District, eight homes within the District flooded from rising water from the lake, all of which are currently occupied; one home burned down.

The District cannot predict the effect that additional extreme weather events may have upon the District and the Gulf Coast. Additional extreme weather events have the potential to cause damage within the District and along the Gulf Coast generally that could have a negative effect on taxable assessed valuations in the District and the economy of the District and the region.

The heavy rainstorms that began April 26, 2024 through May 20, 2024 and Hurricane Beryl resulted in flooding in the Montgomery County, Texas area, including the District. To the District's best knowledge, the District reports no homes were flooded, water and sewer service was not interrupted and no System operations were interrupted.

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

Specific Flood Type Risks

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

Riverine (or Fluvial) Flood: Riverine, or fluvial, flooding occurs when water levels rise over the top of river, bayou or channel banks due to excessive rain from tropical systems making landfall and/or persistent thunderstorms over the same area for extended periods of time. The damage from a riverine flood can be widespread. The overflow can affect smaller rivers and streams downstream, or may sheet-flow over land. Flash flooding is a type of riverine flood that is characterized by an intense, high velocity torrent of water that occurs in an existing river channel with little to no notice. Flash flooding can also occur even if no rain has fallen, jjfor 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.

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

Tax Exemption for Property Damaged by Disaster

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

Dependence on the Oil and Gas Industry

Adverse developments in economic conditions, particularly in the oil and gas industry, could adversely impact the businesses of taxpayers and the property values in the District, resulting in less local tax revenue. The State of Texas may be particularly at risk from any global slowdown in the oil and gas industry, given the prevalence of international trade in the State of Texas and the risk of contraction in the oil and gas industry and spillover effects into other industries. Should oil prices remain depressed over a long period of time or other adverse developments in economic conditions were to occur, particularly in the oil and gas industry, these businesses could be adversely impacted.

Production of Net Revenues

The Net Revenues, if any, to be derived from the operation of the System are entirely dependent upon sales of water and sewer services to current and future residents and users of the System and related operating expenses. The District does not expect that the operation of the System will produce Net Revenues sufficient to make a significant contribution, if any, to the District’s debt service requirements. An audit of the District’s accounts for the fiscal year ended April 30, 2024, is included as "APPENDIX A" to this Official Statement. See "THE SYSTEM – Historical Operations of the General Operating Fund."

Overlapping Tax Rates

Consideration should be given to the total tax burden of all overlapping jurisdictions imposed upon property located within the District as contrasted with property located in comparable real estate developments to gauge the relative tax burden on property within the District. The combination of the District’s tax rate and the overlapping taxing entities’ tax rates is higher than the combined tax rates levied upon certain other comparable developments in the market area. Consequently, an increase in the District’s tax rate above those anticipated above may have an adverse impact on future development or the construction of taxable improvements in the District. See “DISTRICT DEBT--Estimated Overlapping Debt” and “TAX DATA--Estimated Overlapping Taxes.”

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 taxing authorities on the property against which taxes are levied, and such lien may be enforced by foreclosure. The District's ability to collect ad valorem taxes through such foreclosure may be impaired by (a) collection procedures, (b) a bankruptcy court's stay of tax collection procedures against a taxpayer, or (c) market conditions limiting the proceeds from a foreclosure sale of taxable property. While the District has a lien on taxable property within the District for taxes levied against such property, such lien can be foreclosed only in a judicial proceeding. Because ownership of the land within the District may become highly fragmented among a number of taxpayers, attorney's fees and other costs of collecting any such taxpayer's delinquencies could substantially reduce the net proceeds to the District from a tax foreclosure sale. Finally, any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within the District pursuant to the Federal Bankruptcy Code could stay any attempt by the District to collect delinquent ad valorem taxes against such taxpayer.

Registered Owners' Remedies

In the event of default in the payment of principal of or interest on the Bonds, the Registered Owners may seek a writ of mandamus requiring the District to levy adequate taxes to make such payments. Except for the remedy of mandamus, the Bond Order does not specifically provide for remedies to a Registered Owner in the event of a District default, nor does it provide for the appointment of a trustee 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. Although the Registered Owners could obtain a judgment against the District, such a judgment could not be enforced by direct levy and execution against the District's property. Further, the Registered Owners cannot themselves foreclose on the property of the District or sell property within the District in order to pay the principal of or interest on the Bonds. The enforceability of the rights and remedies of the Registered Owners may be further 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. For example, a Chapter IX bankruptcy proceeding by the District could delay or eliminate payment of principal or interest to the Registered Owners.

Bankruptcy Limitation to Registered Owners' Rights

The enforceability of the rights and remedies of Registered Owners may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. Subject to the requirements of Texas law discussed below, a political subdivision such as the District may voluntarily file a petition for relief from creditors under Chapter 9 of the Federal Bankruptcy Code, 11 USC sections 901-946. The filing of such petition would automatically stay the enforcement of Registered Owner's remedies, including mandamus and the foreclosure of tax liens upon property within the District discussed above. The automatic stay would remain in effect until the federal bankruptcy judge hearing the case dismisses the petition, enters an order granting relief from the stay or otherwise allows creditors to proceed against the petitioning political subdivisions.

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 a Registered Owner by reducing or eliminating the amount of indebtedness, deferring or rearranging the debt service schedule, reducing or eliminating the interest rate, modifying or abrogating collateral or security arrangements, substituting (in whole or in part) other securities, and otherwise compromising and modifying the rights and remedies of the Registered Owner's claim against a district.

The District may not be placed into bankruptcy involuntarily.

Environmental Regulations

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

- Requiring permits for construction and operation of water wells, wastewater treatment and other facilities;
- Restricting the manner in which wastes are treated and released into the air, water and soils;
- Restricting or regulating the use of wetlands or other properties; and
- 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 management district's provision of water for human consumption is subject to extensive regulation as a public water system. Municipal management districts must generally provide treated water that meets the primary and secondary drinking water quality standards adopted by the TCEQ, the applicable disinfectant residual and inactivation standards, and the other regulatory action levels established under the agency's rules. The EPA has established NPDWRs for more than ninety (90) contaminants and has identified and listed other contaminants which may require national drinking water regulation in the future. Further, the EPA has established a NPDWR for six (6) Per- and Polyflouroalkyl Substances ("PFAS"), which requires public water systems to perform certain monitoring and remediation measures. Public water systems may be subject to additional PFAS regulation in the future, which could increase the cost of constructing, operating, and maintaining water production and distribution facilities.

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

The TCEQ issued the General Permit for Phase II (Small) Municipal Separate Storm Sewer Systems (the "MS4 Permit") on August 15, 2024. The MS4 Permit authorizes the discharge of stormwater to surface water in the state from small municipal separate storm sewer systems. While the District is currently not subject to the MS4 Permit, if the District's inclusion were required at a future date, the District could incur substantial costs to develop, implement, and maintain the necessary plans as well as to install or implement best management practices to minimize or eliminate unauthorized pollutants that may otherwise be found in stormwater runoff in order to comply with the MS4 Permit.

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

On May 25, 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 actions 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.

Proposed Tax Legislation

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

2025 Legislative Session

The 89th Regular Legislative Session convened on January 14, 2025, and will conclude on June 2, 2025. The Texas Legislature could enact laws that materially change current laws affecting ad valorem tax matters, including rollback elections for maintenance tax increases, and other matters which could adversely affect the marketability or market value of the Bonds. The Governor of Texas has declared property tax reform a priority item for the legislative session. In addition, the Governor may call one or more additional special sessions that may include legislation affecting property taxes. The District can make no representation regarding any actions the Texas Legislature may take or the effect of any such actions.

Continuing Compliance with Certain Covenants

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

Marketability

The District has no understanding (other than the initial reoffering yields) with the initial purchaser of the Bonds (the "Underwriter") regarding the reoffering yields or prices of the Bonds and has no control over the trading of the Bonds in the secondary market. Moreover, there is no assurance that a secondary market will be made for the Bonds. If there is a secondary market, the difference between the bid and asked price of the Bonds may be greater than the difference between the bid and asked price of other bonds which are more generally bought, sold or traded in the secondary market. See "SALE AND DISTRIBUTION OF THE BONDS--Prices and Marketability."

Financing Parks and Recreational Facilities

The District is authorized by statute to develop parks and recreational facilities, including the issuing of bonds payable from taxes for such purpose. Before the District could issue park bonds payable from taxes, the following actions would be required: (a) preparation of a detailed park plan; (b) authorization of park bonds by the qualified voters in the District; (c) approval of the park project and bonds by the TCEQ; and (d) approval of the bonds by the Attorney General of Texas. If the District does issue park bonds, the outstanding principal amount of such bonds may not exceed an amount equal to one percent (1%) of the value of the taxable property in the District, unless the District meets certain feasibility, requirements under the TCEQ rules in which case the outstanding principal amounts of such bonds issued by the District may exceed an amount equal to one percent (1%) but not three percent (3%) of the value of the taxable property in the District. The Board has not considered authorizing the preparation of a park plan or calling a park bond election at this time.

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

Tax Payment Installments after Disaster

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

Additionally, the Texas Tax Code authorizes a taxing jurisdiction such as the District, solely at the 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.

Increase in Costs of Building Materials and Labor Shortages

As a result of low supply and high demand, shipping constraints, and the ongoing trade war (including tariffs and retaliatory tariffs), there may be substantial increases in the cost of lumber and other materials, causing developers, homebuilders, and general contractors to experience budget overruns. Further, the federal administration's impositions and threatened impositions of tariffs and the imposition or threatened impositions of retaliatory tariffs against the United States will impact the ability of developers, homebuilders, general contractors, and district consultants to estimate costs, which could have a direct effect on the District's ability to finance water, sanitary, and detention facilities. Furthermore, the federal administration's immigration policies may impact the Texas workforce.

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.

Approval of the Bonds

The Attorney General of Texas must approve the legality of the Bonds prior to their delivery. The Attorney General, however, does not pass upon or guarantee the security of the Bonds as an investment, nor has the Attorney General passed upon the adequacy or accuracy of the information contained in this Official Statement.

LEGAL MATTERS

Legal Opinions

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, payable from the proceeds of an annual ad valorem tax levied, without limit as to rate or amount, upon all taxable property in the District. The District will also furnish the legal opinion of Sanford Kuhl Hagan Kugle Parker Kahn LLP, Houston, Texas, Bond Counsel, to the effect that, based upon an examination of such transcript, the Bonds are legal, valid and binding obligations of the District payable from the sources and enforceable in accordance with the terms and conditions described therein, except to the extent the enforceability thereof may be affected by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with all general principles of equity, and are payable from annual ad valorem taxes, which are not limited by applicable law in rate or amount, levied against all property within the District which is not exempt from taxation by or under applicable law. Issuance of the Bonds is also subject to the legal opinion of Bond Counsel to the effect that interest on the Bonds is excludable from gross income for federal income tax purposes under existing statutes, regulations, published rulings and court decisions as described below under "TAX EXEMPTION". Such opinions will express no opinions with respect to the sufficiency and security for or the marketability of the Bonds.

In addition to serving as Bond Counsel, Sanford Kuhl Hagan Kugle Parker Kahn LLP also acts as general counsel to the District on matters other than the issuance of bonds.

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

Legal Review

Bond Counsel has reviewed the information appearing in this Official Statement under the captioned sections: "THE BONDS" (except for the subsections "Book-Entry-Only System" and "Bankruptcy Limitations to Registered Owners' Rights"), "TAX PROCEDURES," "LEGAL MATTERS–Legal Opinions," "LEGAL MATTERS–Legal Review," "TAX EXEMPTION" and "CONTINUING DISCLOSURE OF INFORMATION" (except for the subsection "Compliance With Prior Undertakings"), solely to determine whether such information fairly summarizes matters of law with respect to the provisions of the documents referred to therein. Bond Counsel has not, however, independently verified any of the factual information contained in this Official Statement, nor has it conducted an investigation of the affairs of the District for the purpose of passing upon the accuracy or completeness of this Official Statement. No person is entitled to rely upon Bond Counsel's limited participation as an assumption of responsibility for, or an expression of opinion of any kind with regard to, the accuracy or completeness of any of the information contained herein, other than the matters discussed immediately above.

No-Litigation Certificate

The District will furnish the Underwriter a certificate, dated as of the date of delivery of the Bonds, executed by both the President and Secretary of the Board, to the effect that no litigation of any nature is then pending against or, to the best knowledge of the certifying officers, threatened against the District contesting or attacking the Bonds or the Bond Order; restraining or enjoining the authorization, execution or delivery of the Bonds; affecting the provisions made for the payment of or security for the Bonds; in any manner questioning the authority of proceedings for the authorization, execution or delivery of the Bonds; or affecting the validity of the Bonds, the Bond Order, the corporate existence or boundaries of the District or the titles of the then present officers of the Board.

No Material Adverse Change

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

TAX EXEMPTION

In the opinion of Sanford Kuhl Hagan Kugle Parker Kahn LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excludable from gross income for federal income tax purposes and interest on the Bonds is not subject to the alternative minimum tax on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code")) for the purpose of determining the alternative minimum tax imposed on corporations.

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

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

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

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

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

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

Future and Proposed Legislation

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

Tax Accounting Treatment of Original Issue Discount Bonds

The issue price of certain of the Bonds (the "Original Issue Discount Bonds") may be less than the stated redemption price at maturity. In such case, under existing law, and based upon the assumptions hereinafter stated: (a) the difference between:

(i) the stated amount payable at the maturity of each Original Issue Discount Bond; and (ii) the issue price of such Original Issue Discount Bond constitutes original issue discount with respect to such Original Issue Discount Bond in the hands of any owner who has purchased such Original Issue Discount Bond at the initial public offering price in the initial public offering of the Bonds; and (b) such initial owner is entitled to exclude from gross income (as defined in Section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the period that such Original Issue Discount Bond continues to be owned by such owner.

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

The foregoing is based on the assumptions that: (a) the Underwriter has purchased the Bonds for contemporaneous sale to the general public and not for investment purposes; (b) all of the Original Issue Discount Bonds have been offered, and a substantial amount of each maturity thereof has been sold, to the general public in arm's-length transactions for a cash price (and with no other consideration being included) equal to the initial offering prices thereof stated on the cover page of this Official Statement; and (c) the respective initial offering prices of the Original Issue Discount Bonds to the general public are equal to the fair market value thereof. Neither the District nor Bond Counsel warrants that the Original Issue Discount Bonds will be offered and sold in accordance with such assumptions.

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 Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Bond for purposes of determining the amount of gain or loss recognized by such owner upon 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 plus the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period); less (b) the amounts payable as current interest during such accrual period on such Bond.

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

Tax Accounting Treatment of Original Issue Premium Bonds

Some of the Bonds may be offered at an initial offering price which exceeds the stated redemption price payable at the maturity of such Bonds. If a substantial amount of any maturity of the Bonds is sold to members of the public (which for this purpose excludes bond houses, broker, and similar persons or entities acting in the capacity of wholesales or underwriters) at such initial offering price, each of the Bonds of such maturity (the “Premium Bond”) will be considered for federal income tax purposes to have “bond premium” equal to such excess. The basis for federal income tax purposes of a Premium Bond in the hands of an initial purchaser who purchases such Bond in the initial offering must be reduced each year and upon the sale or other taxable disposition of the Bond by the amount of amortizable bond premium. This reduction in basis will increase the amount of any gain (or decrease the amount of any loss) recognized for federal income tax purposes upon the sale or other taxable disposition of a Premium Bond by the initial purchaser. Generally, no corresponding deduction is allowed for federal income tax purposes, for the reduction in basis resulting from amortizable each year (or shorter period in the event of a sale or disposition of a Premium Bond) is determined under special tax accounting rules which use a constant yield throughout the term of the Premium Bond based on the initial purchaser's original basis in such Bond.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition by an owner of Bonds that are not purchased in the initial offering or which are purchased at an amount representing a price other than the initial offering price for the Bonds of the same maturity may be determined according to rules which differ from those described above. Moreover, all prospective purchasers of Bonds should consult their tax advisors with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of Premium Bonds.

Qualified Tax-Exempt Obligations

Section 265 of the Code provides, in general, that interest expense incurred to acquire or carry tax-exempt obligations is not deductible from the gross income of the owner thereof. In addition, interest expense incurred by certain owners that are "financial institutions" within the meaning of such section and which is allocable to tax-exempt obligations acquired after August 7, 1986, is completely disallowed as a deduction for taxable years beginning after December 31, 1986. Section 265(b) of the Code provides an exception to this rule for interest expense incurred by financial institutions and allocable to tax-exempt obligations (other than private activity bonds) which are designated by an issuer, such as the District, as "qualified tax-exempt obligations." An issue may be designated as "qualified tax-exempt obligations" only where the amount of such issue, when added to all other tax-exempt obligations (other than private activity bonds) issued or reasonably anticipated to be issued by the issuer during the same calendar year, does not exceed $10,000,000.

The District will, pursuant to the Bond Order, designate the Bonds as "qualified tax-exempt obligations" and will certify its expectation that the above-described $10,000,000 ceiling will not be exceeded. Accordingly, it is anticipated that financial institutions that purchase the Bonds will not be subject to the 100 percent (100%) disallowance of interest expense allocable to interest on the Bonds under Section 265(b) of the Code. However, 20 percent (20%) of the interest expense incurred by a financial institution which is allocable to the interest on the Bonds would not be deductible pursuant to Section 291 of the Code.

CONTINUING DISCLOSURE OF INFORMATION

The District, in the Bond Order, 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 certain information vendors. This information will be available free of charge from the Municipal Securities Rule Making Board ("MSRB") via the Electronic Municipal Market Access ("EMMA") system at www.emma.msrb.org.

Annual Reports

The District will provide certain updated financial information and operating data to certain information vendors annually. The financial information and operating data which will be provided is found in the annual audit report, within six months after the end of each of its fiscal years. Any information so provided shall be prepared in accordance with generally accepted auditing standards or other such principles as the District may be required to employ from time to time pursuant to state law or regulation, and audited if the audit report is completed within the period during which it must be provided. If the audit report is not complete within such period, then the District shall provide unaudited financial statements for the applicable fiscal year to the MSRB within such six (6) month period, and audited financial statements when and if the audit report becomes available.

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

Event Notices

The District will provide timely notices of certain events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten (10) business days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of beneficial owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District or other obligated person within the meaning of CFR §240.15c2-12 (the "Rule"); (13) consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect Security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties. The term "material" when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Order makes any provision for debt service reserves or liquidity enhancement. In addition, the District will provide timely notice of any failure by the District to provide information, data, or financial statements in accordance with its agreement described above under "Annual Reports."

For these purposes, any event described in (12) in the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District; and the District intends the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation in this subcaption to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018 (the "2018 Release") and any further written guidance provided by the SEC or its staff with respect to the amendment to the Rule effected by the 2018 Release.

Availability of Information from EMMA

Investors will be able to access continuing disclosure information filed with the MSRB at www.emma.msrb.org. The District has agreed in the Bond Order to provide the foregoing information only to the MSRB through EMMA. The information will be available to holders of Bonds only if the holders comply with the procedures of the MSRB or obtain the information through securities brokers who do so.

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 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 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 any 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 qualified professional unaffiliated with the District (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. 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 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. The District may also amend or repeal the agreement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgement that such provisions of the Rule are invalid, and the District also may amend its continuing disclosure agreement in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds.

Compliance with Prior Undertakings

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

PREPARATION OF OFFICIAL STATEMENT

General

The information contained in this Official Statement has been obtained primarily from the District's records, the District's Engineer, the Appraisal District, the District's Tax Assessor/Collector and other sources believed to be reliable. The District, however, makes no representation as to the accuracy or completeness of the information derived from such sources. The summaries of the statutes, resolutions, orders, agreements 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.

Consultants

The information contained in this Official Statement relating to the physical characteristics of the District and engineering matters and, in particular, that engineering information included in the sections captioned "THE DISTRICT" and "THE SYSTEM" has been provided by the District's Engineer and has been included herein in reliance upon the authority of such firm as experts in the field of civil engineering.

The information contained in this Official Statement relating to assessed valuations of property generally and, in particular, that information concerning historical breakdown of District valuations, principal taxpayers and collection rates contained in the sections captioned "TAX DATA" and "DISTRICT DEBT" has been provided by the Appraisal District and the District's Tax Assessor/Collector and has been included herein in reliance upon their authority as experts in the field of tax assessing and collecting.

The financial statements contained in "APPENDIX A–Financial Statements of the District" have been included in reliance upon the accompanying report of the District's Auditor.

Updating the Official Statement

If, subsequent to the date of the Official Statement, the District learns, or is notified by the Underwriter, of any adverse event which causes the Official Statement to be materially misleading, unless the Underwriter elects to terminate its obligation to purchase the Bonds, the District will promptly prepare and supply to the Underwriter an appropriate amendment or supplement to the Official Statement satisfactory to the Underwriter; provided, however, that the obligation of the District to so amend or supplement the Official Statement will terminate when the District delivers the Bonds to the Underwriter, unless the Underwriter notifies the District on or before such date that less than all of the Bonds have been sold to ultimate customers, in which case the District's obligations hereunder will extend for an additional period of time (but not more than 90 days after the date the District delivers the Bonds to the Underwriter) until all of the Bonds have been sold to ultimate customers.

Certification of Official Statement

The District, acting through the Board in its official capacity, hereby certifies, as of the date hereof, that the information, statements and descriptions pertaining to the District and its affairs contained herein, to the best of its knowledge and belief, contain no untrue statements of a material fact and do not omit to state any material fact necessary to make the statements herein, in light of the circumstances under which they are made, not misleading. With respect to information included in this Official Statement other than that relating to the District, the Board has no reason to believe that such information contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements herein, in light of the circumstances under which they are made, not misleading; however, the Board can give no assurance as to the accuracy or completeness of the information derived from sources other than the District. This Official Statement is duly certified and approved by the Board of Directors of Corinthian Point Municipal Utility District No. 2 as of the date specified on the first page hereof.

/s/ ____________
President, Board of Directors
Corinthian Point Municipal Utility District No. 2

ATTEST:

/s/ ____________
Secretary, Board of Directors
Corinthian Point Municipal Utility District No. 2

APPENDIX A–Financial Statements of the District

CORINTHIAN POINT MUNICIPAL UTILITY DISTRICT NO. 2

MONTGOMERY COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

APRIL 30, 2024

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

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McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Corinthian Point Municipal
Utility District No. 2
Montgomery County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Corinthian Point Municipal Utility District No. 2 (the "District") as of and for the year ended April 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of April 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Board of Directors
Corinthian Point Municipal
Utility District No. 2

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Board of Directors
Corinthian Point Municipal
Utility District No. 2

Supplementary Information

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

McCall Gibson Swedlund Barfoot PLLC

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
Houston, Texas

September 16, 2024

CORINTHIAN POINT MUNICIPAL UTILITY DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED APRIL 30, 2024

Management's discussion and analysis of Corinthian Point Municipal Utility District No. 2's (the "District") financial performance provides an overview of the District's financial activities for the year ended April 30, 2024. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

FUND FINANCIAL STATEMENTS

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

FUND FINANCIAL STATEMENTS (Continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets exceeded liabilities by $3,239,799 as of April 30, 2024. A portion of the District's net position reflects its net investment in capital assets (water and wastewater facilities less any debt used to acquire those assets that is still outstanding). The following is a comparative analysis of government-wide changes in net position:

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	Summary of Changes in the Statement of Net Position		
	2024	2023	Change Positive (Negative)
Current and Other Assets	$ 3,356,944	$ 3,068,572	$ 288,372
Capital Assets (Net of Accumulated Depreciation)	3,197,329	3,324,584	(127,255)
Total Assets	$ 6,554,273	$ 6,393,156	$ 161,117
Bonds Payable	$ 3,210,000	$ 3,305,000	$ 95,000
Other Liabilities	104,474	165,993	61,519
Total Liabilities	$ 3,314,474	$ 3,470,993	$ 156,519
Net Position:			
Net Investment in Capital Assets	$ 1,859,757	$ 1,793,212	$ 66,545
Restricted	154,443	154,425	18
Unrestricted	1,225,599	974,526	251,073
Total Net Position	$ 3,239,799	$ 2,922,163	$ 317,636

The following table provides a summary of the District's operations for the years ended April 30, 2024, and April 30, 2023.

	Summary of Changes in the Statement of Activities		
	2024	2023	Change Positive (Negative)
Revenues:			
Property Taxes	$ 453,315	$ 420,509	$ 32,806
Charges for Services	550,317	466,653	83,664
Other Revenues	219,092	138,277	80,815
Total Revenues	$ 1,222,724	$ 1,025,439	$ 197,285
Expenses for Services	905,088	935,888	30,800
Change in Net Position	$ 317,636	$ 89,551	$ 228,085
Net Position, Beginning of Year	2,922,163	2,832,612	89,551
Net Position, End of Year	$ 3,239,799	$ 2,922,163	$ 317,636

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of April 30, 2024, were $3,250,919, an increase of $334,611 from the prior year.

The General Fund fund balance increased by $243,271, primarily due to service and tax revenues exceeding operating expenditures.

The Debt Service Fund fund balance decreased by $7,460, primarily due to the structure of the District's debt service obligations.

The Capital Projects Fund fund balance increased by $98,800, primarily due to investment revenues earned in the current year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors adopted an unappropriated budget for the year ended April 30, 2024. The budget was not amended. Actual revenues were $64,004 more than budgeted revenues and actual expenditures were less than budgeted expenditures by $94,269. This resulted in a positive variance of $158,273. See the budget to actual comparison for more information.

CAPITAL ASSETS

Capital assets as of April 30, 2024, total $3,197,329 (net of accumulated depreciation) and include land, water and wastewater systems.

Capital Assets At Year-End, Net of Accumulated Depreciation

	2024	2023	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	$ 35,446	$ 35,446	$
Capital Assets, Net of Accumulated Depreciation:			
Water System	1,535,975	1,588,086	(52,111)
Wastewater System	1,625,908	1,701,052	(75,144)
Total Net Capital Assets	$ 3,197,329	$ 3,324,584	$ (127,255)

LONG-TERM DEBT ACTIVITY

As of April 30, 2024, the District had total bond debt payable of $3,210,000. The changes in the debt position of the District during the fiscal year ended April 30, 2024, are summarized as follows:

Bond Debt Payable, May 1, 2023	$ 3,305,000
Less: Bond Principal Paid	95,000
Bond Debt Payable, April 30, 2024	$ 3,210,000

The District's Series 2014 and Series 2021 bonds carry an underlying rating of "Baa3" by Moody's. The Series 2014 bonds do not carry an insured rating. The Series 2021 bonds carry an insured rating of "AA" by virtue of bond insurance issued by Build America Mutual Assurance Company. The above ratings are as of April 30, 2024 and reflect all rating changes through that date.

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Corinthian Point Municipal Utility District No. 2, c/o Sanford Kuhl Hagan Kugle Parker Kahn LLP, 1980 Post Oak Blvd., Suite 1380, Houston, Texas 77056.

CORINTHIAN POINT MUNICIPAL UTILITY DISTRICT NO. 2
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
APRIL 30, 2024

	General Fund	Debt Service Fund
ASSETS		
Cash	$ 73,054	$ 11,283
Investments	1,020,484	239,667
Receivables:		
Property Taxes	13,749	10,335
Penalty and Interest on Delinquent Taxes		
Service Accounts	49,390	
Builder Damages	23,779	
Standby Fees/Other	32,986	
Due from Other Funds	84,309	
Prepaid Costs	7,123	
Land		
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	$ 1,304,874	$ 261,285

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
$ 4,850	$ 89,187	$	$ 89,187
1,867,578	3,127,729		3,127,729
	24,084		24,084
		2,666	2,666
	49,390		49,390
	23,779		23,779
	32,986		32,986
	84,309	(84,309)	
	7,123		7,123
		35,446	35,446
		3,161,883	3,161,883
$ 1,872,428	$ 3,438,587	$ 3,115,686	$ 6,554,273

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

CORINTHIAN POINT MUNICIPAL UTILITY DISTRICT NO. 2
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
APRIL 30, 2024

	General Fund	Debt Service Fund
LIABILITIES		
Accounts Payable	$ 47,866	$
Accrued Interest Payable		
Due to Other Funds		84,309
Security Deposits	31,409	
Long-Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	$ 79,275	$ 84,309
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	$ 13,749	$ 10,335
FUND BALANCES		
Nonspendable - Prepaid Costs	$ 7,123	$
Restricted for Authorized Construction		
Restricted for Debt Service		166,641
Unassigned	1,204,727	
TOTAL FUND BALANCES	$ 1,211,850	$ 166,641
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 1,304,874	$ 261,285
NET POSITION		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
TOTAL NET POSITION		

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
$	$ 47,866	$	$ 47,866
		25,199	25,199
	84,309	(84,309)	
	31,409		31,409
		100,000	100,000
		3,110,000	3,110,000
$ -0-	$ 163,584	$ 3,150,890	$ 3,314,474
$ - 0 -	$ 24,084	$ (24,084)	$ - 0 -
$	$ 7,123	$ (7,123)	$
1,872,428	1,872,428	(1,872,428)	
	166,641	(166,641)	
	1,204,727	(1,204,727)	
$ 1,872,428	$ 3,250,919	$ (3,250,919)	$ - 0 -
$ 1,872,428	$ 3,438,587		
		$ 1,859,757	$ 1,859,757
		154,443	154,443
		1,225,599	1,225,599
		$ 3,239,799	$ 3,239,799

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

CORINTHIAN POINT MUNICIPAL UTILITY DISTRICT NO. 2
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
APRIL 30, 2024

Total Fund Balances - Governmental Funds		$ 3,250,919
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		3,197,329
Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2023 and prior tax levies became part of recognized revenue in the governmental activities of the District.		26,750
Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year end consist of:		
Accrued Interest Payable	$ (25,199)	
Bonds Payable	(3,210,000)	(3,235,199)
Total Net Position - Governmental Activities		$ 3,239,799

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

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CORINTHIAN POINT MUNICIPAL UTILITY DISTRICT NO. 2
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED APRIL 30, 2024

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	$ 251,594	$ 188,861
Water Service	234,476	
Wastewater Service	217,714	
Tap Connection and Inspection Fees	4,975	
Garbage Service	93,152	
Investment and Miscellaneous Revenues	108,643	9,725
TOTAL REVENUES	$ 910,554	$ 198,586
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	$ 124,263	$ 296
Contracted Services	187,047	4,995
Utilities	39,752	
Repairs and Maintenance	181,607	
Depreciation		
Other	134,614	1,395
Debt Service:		
Bond Principal		95,000
Bond Interest		104,360
TOTAL EXPENDITURES/EXPENSES	$ 667,283	$ 206,046
NET CHANGE IN FUND BALANCES	$ 243,271	$ (7,460)
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - MAY 1, 2023	968,579	174,101
FUND BALANCES/NET POSITION - APRIL 30, 2024	$ 1,211,850	$ 166,641

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

Capital Projects Fund	Total	Adjustments	Statement of Activities
$	$ 440,455	$ 12,860	$ 453,315
	234,476		234,476
	217,714		217,714
	4,975		4,975
	93,152		93,152
99,195	217,563	1,529	219,092
$ 99,195	$ 1,208,335	$ 14,389	$ 1,222,724
$	$ 124,559	$	$ 124,559
	192,042		192,042
	39,752		39,752
	181,607		181,607
		127,255	127,255
395	136,404		136,404
	95,000	(95,000)	
	104,360	(891)	103,469
$ 395	$ 873,724	$ 31,364	$ 905,088
$ 98,800	$ 334,611	$ (334,611)	$
		317,636	317,636
1,773,628	2,916,308	5,855	2,922,163
$ 1,872,428	$ 3,250,919	$ (11,120)	$ 3,239,799

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

CORINTHIAN POINT MUNICIPAL UTILITY DISTRICT NO. 2
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2024

Net Change in Fund Balances - Governmental Funds	$ 334,611
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.	12,860
Governmental funds report penalty and interest revenue on property taxes when collected. However, in the Statement of Activities, revenue is recorded when penalties and interest are assessed.	1,529
Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.	(127,255)
Governmental funds report bond principal payments as expenditures. However, in the Statement of Net Position, bond principal payments are reported as decreases in long-term liabilities.	95,000
Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end.	891
Change in Net Position - Governmental Activities	$ 317,636

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

NOTE 1. CREATION OF DISTRICT

Corinthian Point Municipal Utility District No. 2 was created effective October 26, 1971, by an order of the Texas Water Commission, presently known as the Texas Commission on Environmental Quality (the "Commission"). Pursuant to the provisions of Chapters 49 and 54 of the Texas Water Code, the District is empowered to purchase, operate and maintain all facilities, plants and improvements necessary to provide water, sanitary sewer service and storm sewer drainage for the residents of the District. The Board of Directors held its first meeting on November 29, 1971, and the first bonds were sold on September 14, 1972.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

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

<u>Financial Statement Presentation</u>

These financial statements have been prepared in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting ("GASB Codification").

The GASB Codification set forth standards for external financial reporting for all state and local government entities, which include a requirement for a Statement of Net Position and a Statement of Activities. It requires the classification of net position into three components: Net Investment in Capital Assets; Restricted; and Unrestricted. These classifications are defined as follows:

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

- Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

- Restricted Net Position – This component of net position consists of external constraints placed on the use of assets imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

- Unrestricted Net Position – This component of net position consists of assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

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

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. The District's Statement of Net Position and Statement of Activities are combined with the governmental fund financial statements. The District is viewed as a special-purpose government and has the option of combining these financial statements.

The Statement of Net Position is reported by adjusting the governmental fund types to report on the full accrual basis, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Any amounts recorded due to and due from other funds are eliminated in the Statement of Net Position.

The Statement of Activities is reported by adjusting the governmental fund types to report only items related to current year revenues and expenditures. Items such as capital outlay are allocated over their estimated useful lives as depreciation expense. Internal activities between governmental funds, if any, are eliminated by adjustment to obtain net total revenue and expense of the government-wide Statement of Activities.

Fund Financial Statements

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

Governmental Funds

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

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

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

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

Basis of Accounting

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

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

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis. As of April 30, 2024, the Debt Service Fund owed the General Fund $84,309 for maintenance tax collections.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

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

Assets are capitalized, including infrastructure assets, if they have an original cost greater than $15,000 and a useful life over two years. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation. Estimated useful lives are as follows:

	Years
Water System	10-45
Wastewater System	10-45

Budgeting

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

Pensions

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

Measurement Focus

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

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

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

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

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

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

Unassigned: all other spendable amounts in the General Fund.

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

Accounting Estimates

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

NOTE 3. LONG-TERM DEBT

The following is a summary of transactions regarding the changes in bonds payable for the year ended April 30, 2024:

	May 1, 2023	Additions	Retirements	April 30, 2024
Bonds Payable	$ 3,305,000	$ -0-	$ 95,000	$ 3,210,000

Amount Due Within One Year	$ 100,000
Amount Due After One Year	3,110,000
Bonds Payable	$ 3,210,000

Bonds payable as of April 30, 2024, consists of the following:

	Series 2014	Series 2021
Amount Outstanding – April 30, 2024	$810,000	$2,400,000
Interest Rates	4.00% - 5.00%	2.50% - 3.00%
Maturity Dates – Serially Beginning/Ending	February 1, 2025/2031	February 1, 2032/2046
Interest Payment Dates	August 1/ February 1	August 1/ February 1
Callable Dates	August 1, 2022	February 1, 2029

* At the option of the District as a whole or in part on the call option or any date thereafter, at par plus accrued interest to the date of redemption. The Series 2021 term bonds maturing on February 1, 2034, 2036 and 2046 are subject to mandatory redemption beginning February 1, 2032, 2035 and 2037, respectively.

As of April 30, 2024, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2025	$ 100,000	$ 100,798	$ 200,798
2026	105,000	96,798	201,798
2027	110,000	92,493	202,493
2028	115,000	87,763	202,763
2029	120,000	82,588	202,588
2030-2034	675,000	328,263	1,003,263
2035-2039	755,000	221,401	976,401
2040-2044	855,000	117,601	972,601
2045-2046	375,000	14,832	389,832
	$ 3,210,000	$ 1,142,537	$ 4,352,537

NOTE 3. LONG-TERM DEBT (Continued)

As of April 30, 2024, the District has no authorized but unissued tax bonds for the purpose of providing, owning, operating and maintaining improvements and facilities consistent for which the District was created. 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 revenue to be received from the operation of the District's waterworks and sanitary sewer system.

During the year ended April 30, 2024, the District levied an ad valorem debt service tax rate of $0.154 per $100 of assessed valuation, which resulted in a tax levy of $194,321 on the adjusted taxable valuation of $125,963,903 for the 2023 tax year. The bond resolution requires the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes.

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

NOTE 4. SIGNIFICANT BOND RESOLUTION AND LEGAL REQUIREMENTS

The bond resolutions state that the District is required to provide continuing disclosure of certain general financial information and operating data to certain information repositories. This information is of the general type included in the audited annual financial statements and is to be provided within six months after the end of each fiscal year and shall continue to be provided through the life of the bonds.

The bond resolutions state that the District should take all necessary steps to comply with the requirement that rebatable arbitrage earnings on the investment of the gross proceeds of the bonds, within the meaning of Section 148(f) of the Internal Revenue Code, be rebated to the federal government.

NOTE 5. DEPOSITS AND INVESTMENTS

<u>Deposits</u>

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes.

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District's deposits was $89,187 and the bank balance was $151,915. The District was not exposed to custodial credit risk at year-end.

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at April 30, 2024, as listed below:

	Cash
GENERAL FUND	$ 73,054
DEBT SERVICE FUND	11,283
CAPITAL PROJECTS FUND	4,850
TOTAL DEPOSITS	$ 89,187

Investments

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

Texas statutes include specifications for and limitations applicable to the District and its authority to purchase investments as defined in the Public Funds Investment Act. The District has adopted a written investment policy to establish the guidelines by which it may invest. This policy is reviewed annually. The District's investment policy may be more restrictive than the Public Funds Investment Act.

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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

The District invests in Texas Cooperative Liquid Assets Securities System Trust ("Texas CLASS"), an external public funds investment pool that is not SEC-registered. Public Trust Advisors, LLC serves as the pool's administrator and investment advisor. The pool is subject to the general supervision of the Board of Trustees and its Advisory Board. UMB Bank, N.A. serves as custodian for the pool. Investments held by Texas CLASS are priced to market on a weekly basis. The investments are considered to be Level I investments because their fair value is measured by quoted prices in active markets. The fair value of the District's position in the pool is the same as the value of the pool shares. There are no limitations or restrictions on restrictions on withdrawals from Texas CLASS.

As of April 30, 2024, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities of Less Than 1 Year
GENERAL FUND		
TexPool	$ 4,644	$ 4,644
Texas CLASS	1,015,840	1,015,840
DEBT SERVICE FUND		
Texas CLASS	239,667	239,667
CAPITAL PROJECTS FUND		
Texas CLASS	1,867,578	1,867,578
TOTAL INVESTMENTS	$ 3,127,729	$ 3,127,729

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The District's investments in TexPool and Texas CLASS were rated "AAAm" by Standard and Poor's.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investments in TexPool and Texas CLASS to have maturities of less than one year due to the fact the share positions can usually be redeemed each day at the discretion of the District, unless there have been significant changes in value.

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Restrictions

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

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2024 is as follows:

	May 1, 2023	Increases	Decreases	April 30, 2024
Capital Assets Not Being Depreciated				
Land and Land Improvements	$ 35,446	$ - 0 -	$ - 0 -	$ 35,446
Capital Assets Subject to Depreciation				
Water System	$ 3,004,181	$	$	$ 3,004,181
Wastewater System	3,699,380			3,699,380
Total Capital Assets Subject to Depreciation	$ 6,703,561	$ - 0 -	$ - 0 -	$ 6,703,561
Accumulated Depreciation				
Water System	$ 1,416,095	$ 52,111	$	$ 1,468,206
Wastewater System	1,998,328	75,144		2,073,472
Total Accumulated Depreciation	$ 3,414,423	$ 127,255	$ - 0 -	$ 3,541,678
Total Depreciable Capital Assets, Net of Accumulated Depreciation	$ 3,289,138	$ (127,255)	$ - 0 -	$ 3,161,883
Total Capital Assets, Net of Accumulated Depreciation	$ 3,324,584	$ (127,255)	$ - 0 -	$ 3,197,329

NOTE 7. MAINTENANCE TAX

On January 8, 1972, the voters of the District approved the levy and collection of a maintenance tax rate in an unlimited amount per $100 of assessed valuation of taxable property within the District. The maintenance tax is to be used by the General Fund to pay expenditures of operating the District's waterworks and wastewater system. During the year ended April 30, 2024, the District levied an ad valorem maintenance tax rate of $0.207 per $100 of assessed valuation, which resulted in a tax levy of $261,197 on the adjusted taxable valuation of $125,963,903 for the 2023 tax year.

NOTE 8. LONE STAR GROUNDWATER CONSERVATION DISTRICT

The District is located within the boundaries of the Lone Star Groundwater Conservation District (the "Conservation District"). The Conservation District was created for purposes including the acquisition and provision of surface water and groundwater for residential, commercial, industrial, agricultural, and other uses, the reduction of groundwater withdrawals, the conservation, preservation, protection, recharge, and prevention of waste of groundwater, and of groundwater reservoirs or their subdivisions, and the control of subsidence caused by withdrawal of water from those groundwater reservoirs or their subdivisions.

NOTE 9. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 10. APPLICATION FOR APPROVAL OF CHANGE IN PROJECT SCOPE

On March 25, 2024, the District received approval from the Commission for an application for the approval for a change in project scope to re-allocate $412,500 from the Series 2021 bond funds originally designated for a wastewater treatment plant lift station rehabilitation and recoating of wastewater treatment plant to pay for repairs to the existing sanitary sewer system.

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CORINTHIAN POINT MUNICIPAL UTILITY DISTRICT NO. 2

REQUIRED SUPPLEMENTARY INFORMATION

APRIL 30, 2024

CORINTHIAN POINT MUNICIPAL UTILITY DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	$ 224,399	$ 251,594	$ 27,195
Water Service	230,000	234,476	4,476
Wastewater Service	220,000	217,714	(2,286)
Tap Connection and Inspection Fees	10,000	4,975	(5,025)
Garbage Service	91,000	93,152	2,152
Investment and Miscellaneous Revenues	71,151	108,643	37,492
TOTAL REVENUES	$ 846,550	$ 910,554	$ 64,004
EXPENDITURES			
Service Operations:			
Professional Fees	$ 84,250	$ 124,263	$ (40,013)
Contracted Services	210,000	187,047	22,953
Utilities	52,300	39,752	12,548
Repairs and Maintenance/Capital Outlay	276,285	181,607	94,678
Other	138,717	134,614	4,103
TOTAL EXPENDITURES	$ 761,552	$ 667,283	$ 94,269
NET CHANGE IN FUND BALANCE	$ 84,998	$ 243,271	$ 158,273
FUND BALANCE - MAY 1, 2023	968,579	968,579	
FUND BALANCE - APRIL 30, 2024	$ 1,053,577	$ 1,211,850	$ 158,273

See accompanying independent auditor’s report.

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CORINTHIAN POINT MUNICIPAL UTILITY DISTRICT NO. 2

SUPPLEMENTARY INFORMATION – REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

APRIL 30, 2024

CORINTHIAN POINT MUNICIPAL UTILITY DISTRICT NO. 2
SERVICES AND RATES
FOR THE YEAR ENDED APRIL 30, 2024

1. SERVICES PROVIDED BY THE DISTRICT DURING THE FISCAL YEAR:

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

2. RETAIL SERVICE PROVIDERS

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

Based on the rate order dated February 22, 2023.

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons over Minimum Use	Usage Levels
WATER:	$35.00	5,000	N	$2.10	5,001 to 7,000
				$2.30	7,001 to 9,000
				$2.70	9,001 to 11,000
				$2.95	11,001 to 13,000
				$3.70	13,001 to 15,000
				$4.45	15,001 to 17,000
				$4.70	17,001 to 19,000
				$5.45	19,001 to 21,000
				$6.20	21,001 and up
WASTEWATER:	$78.50*		Y		

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

Total monthly charges per 10,000 gallons usage: Water: $46.50 Wastewater: $78.50

* Includes $25.50 for garbage fees

See accompanying independent auditor's report.

CORINTHIAN POINT MUNICIPAL UTILITY DISTRICT NO. 2
SERVICES AND RATES
FOR THE YEAR ENDED APRIL 30, 2024

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
Unmetered			x 1.0	
≤¾"	318	316	x 1.0	316
1”	7	7	x 2.5	18
1½”	2	2	x 5.0	10
2”	2	2	x 8.0	16
3”			x 15.0	
4”			x 25.0	
6”			x 50.0	
8”			x 80.0	
10”			x 115.0	
Total Water Connections	329	327		360
Total Wastewater Connections	314	311	x 1.0	311

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

Gallons pumped in system:	41,792,000	Water Accountability Ratio: 88.6% (Gallons billed/Gallons pumped)
Gallons billed to customers:	37,044,000	

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

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

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

5. **LOCATION OF DISTRICT:**

Is the District located entirely within one county?

Yes X No ______

County in which District is located:

Montgomery County, Texas

Is the District located within a city?

Entirely ______ Partly ______ Not at all X

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

Entirely ______ Partly ______ Not at all X

Are Board Members appointed by an office outside the District?

Yes ______ No X

CORINTHIAN POINT MUNICIPAL UTILITY DISTRICT NO. 2
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED APRIL 30, 2024

PROFESSIONAL FEES:		
Auditing	$	13,000
Engineering		62,136
Legal		49,127
TOTAL PROFESSIONAL FEES	$	124,263
CONTRACTED SERVICES:		
Bookkeeping	$	36,528
Operations and Billing		72,000
Solid Waste Disposal		78,519
TOTAL CONTRACTED SERVICES	$	187,047
UTILITIES:		
Electricity	$	37,277
Telephone		2,475
TOTAL UTILITIES	$	39,752
REPAIRS AND MAINTENANCE	$	181,607
ADMINISTRATIVE EXPENDITURES:		
Director Fees, Including Payroll Taxes	$	15,750
Insurance		16,935
Legal Notices		1,831
Office Supplies and Postage		17,792
Travel and Meetings		4,941
TOTAL ADMINISTRATIVE EXPENDITURES	$	57,249
OTHER EXPENDITURES:		
Chemicals	$	13,982
Laboratory Fees		18,843
Permit Fees		1,985
Inspection and Reconnection Fees		4,740
Regulatory Assessment		5,693
Sludge Hauling		9,323
Other		22,799
TOTAL OTHER EXPENDITURES	$	77,365
TOTAL EXPENDITURES	$	667,283

See accompanying independent auditor's report.

CORINTHIAN POINT MUNICIPAL UTILITY DISTRICT NO. 2
INVESTMENTS
APRIL 30, 2024

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
GENERAL FUND					
TexPool	XXXX0002	Varies	Daily	$ 4,644	$
Texas CLASS	XXXX0001	Varies	Daily	1,015,840	
TOTAL GENERAL FUND				$ 1,020,484	$ - 0 -
DEBT SERVICE FUND					
Texas CLASS	XXXX0002	Varies	Daily	$ 239,667	$ - 0 -
CAPITAL PROJECTS FUND					
Texas CLASS	XXXX0003	Varies	Daily	$ 1,867,578	$ - 0 -
TOTAL - ALL FUNDS				$ 3,127,729	$ - 0 -

See accompanying independent auditor's report.

CORINTHIAN POINT MUNICIPAL UTILITY DISTRICT NO. 2
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED APRIL 30, 2024

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE -				
MAY 1, 2023	$ 5,947		$ 5,277	
Adjustments to Beginning				
Balance	(1,801)	$ 4,146	(402)	$ 4,875
Original 2023 Tax Levy	$ 240,005		$ 178,555	
Adjustment to 2023 Tax Levy	21,192	261,197	15,766	194,321
TOTAL TO BE				
ACCOUNTED FOR		$ 265,343		$ 199,196
TAX COLLECTIONS:				
Prior Years	$ 3,416		$ 4,226	
Current Year	248,178	251,594	184,635	188,861
TAXES RECEIVABLE -				
APRIL 30, 2024		$ 13,749		$ 10,335
TAXES RECEIVABLE BY				
YEAR:				
2023		$ 13,019		$ 9,686
2022		691		612
2021		39		37
TOTAL		$ 13,749		$ 10,335

See accompanying independent auditor's report.

CORINTHIAN POINT MUNICIPAL UTILITY DISTRICT NO. 2
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED APRIL 30, 2024

	2023	2022	2021	2020
PROPERTY VALUATIONS:				
Land	$ 23,529,160	$ 23,927,600	$ 23,287,250	$ 23,287,690
Improvements	127,060,550	107,445,320	81,184,480	75,458,000
Personal Property	947,015	848,858	664,579	637,432
Exemptions	(25,572,822)	(19,365,221)	(7,898,619)	(6,529,509)
TOTAL PROPERTY VALUATIONS	$ 125,963,903	$ 112,856,557	$ 97,237,690	$ 92,853,613
TAX RATES PER $100 VALUATION:				
Debt Service	$ 0.154	$ 0.1764	$ 0.1950	$ 0.1392
Maintenance	0.207	0.1989	0.2065	0.2415
TOTAL TAX RATES PER $100 VALUATION	$ 0.361	$ 0.3753	$ 0.4015	$ 0.3807
ADJUSTED TAX LEVY*	$ 455,518	$ 423,413	$ 390,706	$ 353,606
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	95.02 %	99.69 %	99.98 %	100.00 %

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

Maintenance Tax – Maximum tax rate in an unlimited amount per $100 of assessed valuation approved by voters on January 8, 1972.

See accompanying independent auditor's report.

CORINTHIAN POINT MUNICIPAL UTILITY DISTRICT NO. 2
LONG-TERM DEBT SERVICE REQUIREMENTS
APRIL 30, 2024

	SERIES - 2014		
Due During Fiscal Years Ending April 30	Principal Due February 1	Interest Due August 1/ February 1	Total
2025	$ 100,000	$ 36,604	$ 136,604
2026	105,000	32,604	137,604
2027	110,000	28,299	138,299
2028	115,000	23,569	138,569
2029	120,000	18,394	138,394
2030	125,000	12,844	137,844
2031	135,000	6,750	141,750
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
	$ 810,000	$ 159,064	$ 969,064

See accompanying independent auditor's report.

CORINTHIAN POINT MUNICIPAL UTILITY DISTRICT NO. 2
LONG-TERM DEBT SERVICE REQUIREMENTS
APRIL 30, 2024

	S E R I E S - 2 0 2 1		
Due During Fiscal Years Ending April 30	Principal Due February 1	Interest Due August 1/ February 1	Total
2025	$	$ 64,194	$ 64,194
2026		64,194	64,194
2027		64,194	64,194
2028		64,194	64,194
2029		64,194	64,194
2030		64,194	64,194
2031		64,194	64,194
2032	135,000	64,194	199,194
2033	140,000	60,144	200,144
2034	140,000	55,943	195,943
2035	145,000	51,744	196,744
2036	145,000	48,119	193,119
2037	150,000	44,494	194,494
2038	155,000	40,556	195,556
2039	160,000	36,488	196,488
2040	165,000	32,288	197,288
2041	165,000	27,956	192,956
2042	170,000	23,625	193,625
2043	175,000	19,163	194,163
2044	180,000	14,569	194,569
2045	185,000	9,844	194,844
2046	190,000	4,988	194,988
	$ 2,400,000	$ 983,473	$ 3,383,473

See accompanying independent auditor's report.

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CORINTHIAN POINT MUNICIPAL UTILITY DISTRICT NO. 2
LONG-TERM DEBT SERVICE REQUIREMENTS
APRIL 30, 2024

Due During Fiscal Years Ending April 30	ANNUAL REQUIREMENTS FOR ALL SERIES Total Principal Due	Total Interest Due	Total Principal and Interest Due
2025	$ 100,000	$ 100,798	$ 200,798
2026	105,000	96,798	201,798
2027	110,000	92,493	202,493
2028	115,000	87,763	202,763
2029	120,000	82,588	202,588
2030	125,000	77,038	202,038
2031	135,000	70,944	205,944
2032	135,000	64,194	199,194
2033	140,000	60,144	200,144
2034	140,000	55,943	195,943
2035	145,000	51,744	196,744
2036	145,000	48,119	193,119
2037	150,000	44,494	194,494
2038	155,000	40,556	195,556
2039	160,000	36,488	196,488
2040	165,000	32,288	197,288
2041	165,000	27,956	192,956
2042	170,000	23,625	193,625
2043	175,000	19,163	194,163
2044	180,000	14,569	194,569
2045	185,000	9,844	194,844
2046	190,000	4,988	194,988
	$ 3,210,000	$ 1,142,537	$ 4,352,537

See accompanying independent auditor's report.

CORINTHIAN POINT MUNICIPAL UTILITY DISTRICT NO. 2
CHANGES IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED APRIL 30, 2024

Description	Original Bonds Issued	Bonds Outstanding May 1, 2023
Corinthian Point Municipal Utility District No. 2 Waterworks and Sewer System Combination Unlimited Tax and Revenue Bonds - Series 2014	$ 1,600,000	$ 905,000
Corinthian Point Municipal Utility District No. 2 Waterworks and Sewer System Combination Unlimited Tax and Revenue Bonds - Series 2021	2,400,000	2,400,000
TOTAL	$ 4,000,000	$ 3,305,000

Bond Authority:	Tax Bonds
Amount Authorized by Voters	$ 7,500,000
Amount Issued	7,500,000
Remaining to be Issued	$ - 0 -

Debt Service Fund cash and investment balances as of April 30, 2024:	$ 250,950
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 197,843

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

See accompanying independent auditor's report.

Current Year Transactions				
	Retirements		Bonds Outstanding	
Bonds Sold	Principal	Interest	April 30, 2024	Paying Agent
$	$ 95,000	$ 40,166	$ 810,000	Bank of Texas Austin, TX
		64,194	2,400,000	UMB Bank Houston, TX
$ - 0 -	$ 95,000	$ 104,360	$ 3,210,000	

See accompanying independent auditor's report.

CORINTHIAN POINT MUNICIPAL UTILITY DISTRICT NO. 2
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - FIVE YEARS

	Amounts		
	2024	2023	2022
REVENUES			
Property Taxes	$ 251,594	$ 223,267	$ 204,477
Water Service	234,476	192,962	102,248
Wastewater Service	217,714	182,474	160,306
Tap Connection and Inspection Fees	4,975	10,639	
Investment and Miscellaneous Revenues	201,795	155,597	63,228
TOTAL REVENUES	$ 910,554	$ 764,939	$ 530,259
EXPENDITURES			
Professional Fees	$ 124,263	$ 64,681	$ 76,185
Contracted Services	187,047	176,729	139,412
Utilities	39,752	53,035	36,706
Repairs and Maintenance	181,607	269,206	172,103
Other	134,614	134,099	109,032
Capital Outlay		227,209	57,625
TOTAL EXPENDITURES	$ 667,283	$ 924,959	$ 591,063
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 243,271	$ (160,020)	$ (60,804)
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	$ -0-	$ -0-	$ 317,560
NET CHANGE IN FUND BALANCE	$ 243,271	$ (160,020)	$ 256,756
BEGINNING FUND BALANCE	968,579	1,128,599	871,843
ENDING FUND BALANCE	$ 1,211,850	$ 968,579	$ 1,128,599

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2021	2020	2024	2023	2022	2021	2020
$ 224,755	$ 218,241	27.6 %	29.2 %	38.6 %	42.5 %	42.9 %
103,442	98,262	25.8	25.2	19.3	19.5	19.3
158,133	150,756	23.9	23.9	30.2	29.9	29.7
		0.5	1.4			
43,134	40,947	22.2	20.3	11.9	8.1	8.1
$ 529,464	$ 508,206	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
$ 72,138	$ 73,856	13.6 %	8.5 %	14.4 %	13.6 %	14.5 %
120,800	120,646	20.5	23.1	26.3	22.8	23.7
41,035	33,880	4.4	6.9	6.9	7.8	6.7
126,755	126,031	19.9	35.2	32.5	23.9	24.8
83,437	95,689	14.8	17.5	20.6	15.8	18.8
415,541	48,418		29.7	10.9	78.5	9.5
$ 859,706	$ 498,520	73.2 %	120.9 %	111.6 %	162.4 %	98.0 %
$ (330,242)	$ 9,686	26.8 %	(20.9) %	(11.6) %	(62.4) %	2.0 %
$ - 0 -	$ - 0 -					
$ (330,242)	$ 9,686					
1,202,085	1,192,399					
$ 871,843	$ 1,202,085					

See accompanying independent auditor's report.

CORINTHIAN POINT MUNICIPAL UTILITY DISTRICT NO. 2
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND - FIVE YEARS

	Amounts		
	2024	2023	2022
REVENUES			
Property Taxes	$ 188,861	$ 197,181	$ 190,013
Investment and Miscellaneous Revenues	9,725	6,475	1,562
TOTAL REVENUES	$ 198,586	$ 203,656	$ 191,575
EXPENDITURES			
Tax Collection Expenditures	$ 5,186	$ 3,814	$ 3,504
Debt Service Principal	95,000	90,000	85,000
Debt Service Interest and Fees	105,860	108,010	58,704
TOTAL EXPENDITURES	$ 206,046	$ 201,824	$ 147,208
NET CHANGE IN FUND BALANCE	$ (7,460)	$ 1,832	$ 44,367
BEGINNING FUND BALANCE	174,101	172,269	127,902
ENDING FUND BALANCE	$ 166,641	$ 174,101	$ 172,269
TOTAL ACTIVE RETAIL WATER CONNECTIONS	327	323	315
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	311	308	300

See accompanying independent auditor's report.

2021	2020	2024	2023	2022	2021	2020
		Percentage of Total Revenues				
$ 129,290	$ 132,090	95.1 %	96.8 %	99.2 %	99.4 %	97.4 %
793	3,474	4.9	3.2	0.8	0.6	2.6
$ 130,083	$ 135,564	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
$ 3,914	$ 3,058	2.6 %	1.9 %	1.8 %	3.0 %	2.3 %
80,000	80,000	47.8	44.2	44.4	61.5	59.0
48,979	51,379	53.3	53.0	30.6	37.7	37.9
$ 132,893	$ 134,437	103.7 %	99.1 %	76.8 %	102.2 %	99.2 %
$ (2,810)	$ 1,127	(3.7) %	0.9 %	23.2 %	(2.2) %	0.8 %
130,712	129,585					
$ 127,902	$ 130,712					
312	307					
299	294					

See accompanying independent auditor's report.

CORINTHIAN POINT MUNICIPAL UTILITY DISTRICT NO. 2
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
APRIL 30, 2024

District Mailing Address	-	Corinthian Point Municipal Utility District No. 2 c/o Sanford Kuhl Hagan Kugle Parker Kahn LLP 1980 Post Oak Blvd., Suite 1380 Houston, TX 77056
District Telephone Number	-	(713) 850-9000

Board Members	Term of Office (Elected or Appointed)	Fees of Office for the year ended April 30, 2024	Expense reimbursements for the year ended April 30, 2024	Title
Mark Larsen	05/24-05/28 (Elected)	$ 3,450	$ 1,252	President
Guy Matelli	05/22-05/26 (Elected)	$ 3,671	$ -0-	Vice President
Daralyn McGuffin	05/24-05/28 (Elected)	$ 2,550	$ 816	Secretary
Donald Carter	05/22-05/26 (Elected)	$ 2,100	$ -0-	Assistant Secretary/ Treasurer
Kevin West	05/24-05/28 (Elected)	$ 1,950	$ 1,098	Director

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

The submission date of the most recent District Registration Form: June 3, 2024

The limit on Fees of Office that a Director may receive during a fiscal year is $7,200 as set by Board Resolution. Fees of office are the amounts actually paid to a Director during the District's current fiscal year.

CORINTHIAN POINT MUNICIPAL UTILITY DISTRICT NO. 2
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
APRIL 30, 2024

Consultants:	Date Hired	Fees for the year ended April 30, 2024	Title
Sanford Kuhl Hagan Kugle Parker Kahn LLP	03/12/10	$ 49,127	General Counsel
McCall Gibson Swedlund Barfoot PLLC	04/20/15	$ 13,000	Auditor
Claudia Redden & Associates, LLC	05/01/22	$ 43,817	Bookkeeper
LightPoint Engineers, LLC	09/17/18	$ 62,136	Engineer
Blitch Associates, Inc.		$ -0-	Financial Advisor
Water District Management Company	01/13/03	$ 195,575	Operator

See accompanying independent auditor's report.