OFFICIAL STATEMENT DATED JULY 12, 2023

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

*The Bonds are **not** "qualified tax-exempt obligations" for financial institutions.*

NEW ISSUE - Book-Entry Only

Ratings: S&P Global Ratings (BAM Insured)… "AA" (stable outlook)
Moody's Investors Service, Inc. (Underlying)… "Baa2" (stable outlook)
See "BOND INSURANCE" and "RATINGS" herein

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 61
(A Political Subdivision of the State of Texas located within Brazoria County, Texas)

$9,290,000
Unlimited Tax Bonds
Series 2023
(the "Series 2023 Bonds")

$1,930,000
Unlimited Tax Park Bonds
Series 2023A
(the "Series 2023A Park Bonds")

Dated Date: August 1, 2023
Interest to Accrue from: Date of Delivery

Due: September 1, as shown on inside cover

Principal of the above described Series 2023 Bonds and Series 2023A Park Bonds (together, the "Bonds") is payable by the paying agent/registrar, initially, The Bank of New York Mellon Trust Company, N. A., currently in Dallas, Texas, or any successor paying agent/registrar (the "Paying Agent," "Registrar" or "Paying Agent/Registrar"). Interest on the Bonds accrues from the date of initial delivery (expected August 15, 2023) (the "Date of Delivery"), and is payable on March 1, 2024, and on each September 1 and March 1 thereafter until the earlier of maturity or redemption. The Bonds are issued in denominations of $5,000 or any integral multiple thereof in fully registered form only.

The Bonds, including the Term Bonds, maturing on and after September 1, 2029, are subject to redemption prior to maturity at the option of Brazoria County Municipal Utility District No. 61 (the "District"), as a whole or in part, on September 1, 2028, or any date thereafter, at a price equal to the principal amount thereof plus accrued interest from the most recent interest payment date to the date fixed for redemption. If fewer than all of the Bonds are redeemed at any time, the particular maturities and amounts of the Bonds to be redeemed shall be selected by the District in integral multiples of $5,000 within any one maturity. If fewer than all of the Bonds of any given maturity are to be redeemed at any time, the particular Bonds to be redeemed shall be selected by such method of random selection as determined by the Registrar (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form). The Registered Owner of any Bond, all or a portion of which has been called for redemption, shall be required to present same to the Registrar for payment of the redemption price on the portion of the Bond so called for redemption and issuance of a new Bond in the principal amount equal to the portion of such Bond not redeemed.

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

The scheduled payment of principal of and interest on the Series 2023 Bonds and the Series 2023A Park Bonds when due will be guaranteed under separate municipal bond insurance policies to be issued concurrently with the delivery of the Bonds by Build America Mutual Assurance Company ("BAM" or the "Insurer").

BAM

See Maturity Schedule on the inside cover

The Series 2023 Bonds constitute the third series of bonds issued by the District for the purpose of acquiring and constructing a waterworks, sanitary sewer and storm drainage system (the "System") to serve the District and the Series 2023A Park Bonds constitute the initial series of bonds issued by the District for the purpose of acquiring and constructing recreational facilities to serve the District. THE BONDS ARE SUBJECT TO SPECIAL INVESTMENT CONSIDERATIONS DESCRIBED HEREIN. SEE "INVESTMENT CONSIDERATIONS." Voters in the District authorized a total of $63,500,000 principal amount of unlimited tax bonds for the purpose of acquiring and constructing the System and refunding bonds issued for such purpose, and $6,500,000 principal amount of unlimited tax bonds for recreational facilities and refunding bonds issued for such purpose. Following the issuance of the Bonds, $40,520,000 principal amount of unlimited tax bonds for the acquisition or construction of the System and refunding purposes, and $4,570,000 principal amount of unlimited tax bonds for recreational facilities and refunding purposes will remain authorized but unissued. See "THE BONDS – Issuance of Additional Debt."

The Bonds, when issued, constitute valid and binding obligations of the District, and are payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property located within the District. See "THE BONDS – Source of Payment." Neither the State of Texas, the City of Manvel, Texas, Brazoria County, Texas, nor any political subdivision other than the District shall be obligated to pay the principal of and interest on the Bonds. Neither the faith and credit nor the taxing power of the State of Texas, the City of Manvel, Texas, or Brazoria County, Texas, is pledged to the payment of the principal of and interest on the Bonds.

The Bonds are offered when, as and if issued by the District, subject among other things to the approval of the Attorney General of Texas and of Allen Boone Humphries Robinson LLP, Houston, Texas, Bond Counsel. Delivery of the Bonds is expected through the facilities of DTC on or about August 15, 2023.

MATURITY SCHEDULE
CUSIP Prefix (a): 10607S

SERIES 2023 BONDS
$8,605,000 Serial Bonds

Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (b)	CUSIP Suffix (a)
2025	$245,000	6.000%	3.70%	BZ6
2026	255,000	5.750	3.60	CA0
2027	255,000	5.000	3.50	CB8
2028	265,000	5.000	3.50	CC6
2029 (c)	275,000	4.000	3.50	CD4
2030 (c)	285,000	4.000	3.50	CE2
2031 (c)	295,000	4.000	3.55	CF9
2032 (c)	305,000	4.000	3.60	CG7
2033 (c)	310,000	4.000	3.70	CH5
2034 (c)	325,000	4.000	3.80	CJ1
****	****			
2037 (c)	360,000	4.000	4.05	CM4
2038 (c)	375,000	4.000	4.10	CN2
2039 (c)	390,000	4.000	4.15	CP7
2040 (c)	405,000	4.000	4.20	CQ5
2041 (c)	420,000	4.000	4.25	CR3
2042 (c)	435,000	4.125	4.30	CS1
2043 (c)	1,005,000	4.125	4.34	CT9
2044 (c)	1,055,000	4.250	4.38	CU6
2045 (c)	1,345,000	4.250	4.40	CV4

$685,000 Term Bonds, Due September 1, 2036(c)(d), CUSIP Suffix CL6 (a), Interest Rate 4.00% (Yield 4.00%)(b)

SERIES 2023A PARK BONDS
$915,000 Serial Bonds

Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (b)	CUSIP Suffix (a)
2025	$50,000	6.500%	3.70%	CW2
2026	50,000	6.000	3.60	CX0
2027	55,000	6.000	3.50	CY8
2028	55,000	6.000	3.50	CZ5
****	****			
2043 (c)	205,000	4.125	4.34	DQ4
2044 (c)	220,000	4.250	4.38	DR2
2045 (c)	280,000	4.250	4.40	DS0

$115,000 Term Bonds, Due September 1, 2030(c)(d), CUSIP Suffix DB7 (a), Interest Rate 4.00% (Yield 3.50%)(b)
$125,000 Term Bonds, Due September 1, 2032(c)(d), CUSIP Suffix DD3 (a), Interest Rate 4.00% (Yield 3.60%)(b)
$140,000 Term Bonds, Due September 1, 2034(c)(d), CUSIP Suffix DF8 (a), Interest Rate 4.00% (Yield 3.80%)(b)
$145,000 Term Bonds, Due September 1, 2036(c)(d), CUSIP Suffix DH4 (a), Interest Rate 4.00% (Yield 4.00%)(b)
$150,000 Term Bonds, Due September 1, 2038(c)(d), CUSIP Suffix DK7 (a), Interest Rate 4.00% (Yield 4.10%)(b)
$165,000 Term Bonds, Due September 1, 2040(c)(d), CUSIP Suffix DM3 (a), Interest Rate 4.00% (Yield 4.20%)(b)
$175,000 Term Bonds, Due September 1, 2042(c)(d), CUSIP Suffix DP6 (a), Interest Rate 4.125% (Yield 4.30%)(b)

(a) CUSIP is a registered trademark of the American Bankers Association. CUSIP data is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. CUSIP numbers have been assigned to this issue by the CUSIP Service Bureau and are included solely for the convenience of the owners of the Bonds. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP services. Neither the District, the Financial Advisor (as defined herein), nor the Underwriter (as defined herein) take any responsibility for the accuracy of CUSIP numbers.
(b) Information with respect to the initial reoffering yields of the Bonds is the responsibility of the Underwriter. Initial reoffering yields represent the initial offering price to the public which has been established by the Underwriter for public offerings, and which subsequently may be changed.
(c) Subject to optional redemption as described on the front cover.
(d) Subject to mandatory sinking fund redemption by lot or other customary method of random selection on September 1 in the years and in the amounts set forth herein under the caption "THE BONDS – Redemption Provisions." .

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USE OF INFORMATION IN OFFICIAL STATEMENT

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

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

All of the summaries of the statutes, orders, resolutions, contracts, audited financial statements, and engineering and other related reports set forth in the Official Statement are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents, copies of which are available from the Financial Advisor (defined herein).

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

Neither the District nor the Underwriters make any representations as to the accuracy, completeness, or adequacy of the information supplied by The Depository Trust Company for use in this Official Statement.

This Official Statement contains "forward-looking" statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, which generally can be identified with words or phrases such as "anticipates," "believes," "could," "estimates," "expects," "foresees," "may," "predict," "should," "will" or other words or phrases of similar import. All statements included in this Official Statement that any person expects or anticipates will, should or may occur in the future are forward-looking statements. These statements are based on assumptions and analyses made in light of experience and perceptions of historical trends, current conditions and expected future developments as well as other factors the District believes are appropriate in the circumstances. However, whether actual results and developments conform with expectations and predictions is subject to a number of risks and uncertainties, including, without limitation, the information discussed under "INVESTMENT CONSIDERATIONS" in this Official Statement, as well as additional factors beyond the District's control. The important investment considerations and assumptions described under that caption and elsewhere herein could cause actual results to differ materially from those expressed in any forward-looking statement. All of the forward-looking statements made in this Official Statement are qualified by these cautionary statements.

Build America Mutual Assurance Company ("BAM" or the "Insurer") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM supplied by BAM and presented under the heading "BOND INSURANCE" and "APPENDIX C - SPECIMEN OF MUNICIPAL BOND INSURANCE POLICY."

SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the Series 2023 Bonds, the District has accepted the bid resulting in the lowest net interest cost to the District, which was tendered by SAMCO Capital Markets, Inc. (referred to herein as the "Series 2023 Underwriter" or the "Series 2023 Initial Purchaser") to purchase the Series 2023 Bonds bearing the interest rates shown under "MATURITY SCHEDULE" at a price of 97.014389% of the principal amount thereof, which resulted in a net effective interest rate of 4.351202%, as calculated pursuant to Chapter 1204, Texas Government Code, as amended.

After requesting competitive bids for the Series 2023A Park Bonds, the District has accepted the bid resulting in the lowest net interest cost to the District, which was tendered by SAMCO Capital Markets, Inc. (referred to herein as the "Series 2023A Underwriter" or the "Series 2023A Initial Purchaser") to purchase the Series 2023A Park Bonds bearing the interest rates shown under "MATURITY SCHEDULE" at a price of 97.008782% of the principal amount thereof, which resulted in a net effective interest rate of 4.378332%, as calculated pursuant to Chapter 1204, Texas Government Code, as amended.

The Series 2023 Underwriter and the Series 2023A Underwriter shall be referred to herein collectively as the "Underwriter."

Prices and Marketability

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

The prices and other terms respecting the offering and sale of the Bonds may be changed from time to time by the Underwriters after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering price, including sales to dealers who may sell the Bonds into investment accounts.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Securities Laws

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

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue separate Municipal Bond Insurance Policies for the Series 2023 Bonds and the Series 2023A Park Bonds (together, the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Series 2023 Bonds and the Series 2023A Park Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM. The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com. BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of March 31, 2023 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $476.6million, $196.7 million and $279.9 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE."

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at www.buildamerica.com/videos. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at www.buildamerica.com/credit-profiles. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

BOND INSURANCE RISK FACTORS

In the event of default of the payment of principal or interest with respect to the Bonds when all or some becomes due, any owner of the Bonds shall have a claim under the Policy for such payments.

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

The long-term ratings on the Bonds are dependent in part on the financial strength of the Insurer and its claim paying ability. The Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Insurer and of the ratings on the Bonds insured by the Insurer will not be subject to downgrade and such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds. See "BOND INSURANCE" and "RATINGS" herein. As is stated in this Official Statement under the caption "LEGAL MATTERS - No Material Adverse Change," the rating of the Insurer's creditworthiness by any rating agency does not in any manner affect the District's financial condition, and thus any change to such rating, including a downgrade thereof, at any time, does not constitute a change, material or otherwise, in the District's financial condition, and therefore cannot be a basis for termination by the Underwriter of its obligation to take up and pay for the Bonds.

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

Neither the District nor to the knowledge of the District the Underwriter has made independent investigation into the claims paying ability of the Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay the principal of and interest on the Bonds and the claims paying ability of the Insurer, particularly over the life of the investment. See "BOND INSURANCE" herein for further information provided by the Insurer and the Policy, which includes further instructions for obtaining current financial information concerning the Insurer.

RATINGS

The Bonds are expected to receive an insured rating of "AA" (stable outlook) from S&P Global Ratings ("S&P"), a business unit of Standard & Poor's Financial Services LLC, based upon the issuance and delivery of the Policy by the Insurer at the time of delivery of the Bonds. The underlying credit rating of the Bonds assigned by Moody's is "Baa2" (stable outlook).

An explanation of the significance of the foregoing ratings may only be obtained from S&P and Moody's. The foregoing ratings express only the view of S&P and Moody's at the time the ratings are given. Furthermore, a security rating is not a recommendation to buy, sell or hold securities. There is no assurance that the ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by S&P and Moody's, if, in its judgment, circumstances so warrant. Any such downward change in or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

The District is not aware of any ratings assigned the Bonds other than the ratings of S&P and Moody's. See "BOND INSURANCE" and "BOND INSURANCE RISK FACTORS."

OFFICIAL STATEMENT SUMMARY

The following material is a summary of certain information contained herein and is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement.

THE BONDS

The Issuer ....

Brazoria County Municipal Utility District No. 61 (the "District"), a political subdivision of the State of Texas, is located in Brazoria County, Texas. See "THE DISTRICT."

The Issue...

The $9,290,000 Unlimited Tax Bonds, Series 2023 (the "Series 2023 Bonds") and the $1,930,000 Unlimited Tax Park Bonds, Series 2023A (the "Series 2023A Park Bonds") (together referred to herein as the "Bonds"), are dated August 1, 2023. Interest on the Bonds accrues from the Date of Delivery (as defined herein), at the rates shown on the inside cover page hereof, with interest payable on March 1, 2024, and on each September 1 and March 1 thereafter until maturity or prior redemption. An aggregate of $8,605,000 of the Series 2023 Bonds are issued as serial bonds maturing on September 1 in each of the years 2025 through 2034, both inclusive, and 2037 through 2045, both inclusive, in the principal amounts set forth on the inside cover page of this Official Statement. $685,000 of the Series 2023 Bonds are issued as term bonds maturing on September 1, 2036 (the "Series 2023 Term Bonds"), in the principal amounts and at the rates set forth on the inside cover page of this Official Statement. An aggregate of $915,000 of the Series 2023A Park Bonds are issued as serial bonds maturing on September 1 in each of the years 2025 through 2028, both inclusive, and 2043 through 2045, both inclusive, in the principal amounts set forth on the inside cover page of this Official Statement. An aggregate of $1,015,000 of the Series 2023A Park Bonds are issued as term bonds maturing on September 1 in each of the years 2030, 2032, 2034, 2036, 2038, 2040 and 2042 (collectively, the " Series 2023A Park Term Bonds"), in the principal amounts and at the rates set forth on the inside cover page of this Official Statement. The Series 2023 Term Bonds and the Series 2023A Park Term Bonds are collectively referred to herein as the "Term Bonds." The Bonds, including the Term Bonds, scheduled to mature on and after September 1, 2029, are subject to redemption, in whole or in part, prior to their scheduled maturities, on September 1, 2028, or on any date thereafter at the option of the District. Upon redemption, the Bonds will be payable at a price equal to the principal amount of the Bonds, or portions thereof, so called for redemption, plus accrued interest to the date of redemption. In addition to being subject to optional redemption, the Term Bonds are also subject to mandatory sinking fund redemption on September 1 in the years and in the amounts as is more completely described in this Official Statement under the caption "THE BONDS - Redemption Provisions - Mandatory Redemption." The Bonds will be issued pursuant to separate Bond Resolutions (collectively, the "Bond Resolution") adopted by the Board of Directors of the District. The Bonds are being issued pursuant to Article XVI, Section 59 of the Texas Constitution and general laws of the State of Texas under the authority of Chapters 49 and 54 of the Texas Water Code, as amended, an order of the Texas Commission on Environmental Quality (the "TCEQ") and an election held within the District.

Book-Entry-Only System.............................. The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of DTC (defined herein), 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 (hereinafter defined) to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds (see "THE BONDS - Book-Entry-Only System").

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 located within the District. See "THE BONDS - Source of Payment," "TAX DATA - Tax Rate Calculations," and "INVESTMENT CONSIDERATIONS - Maximum Impact on District Tax Rates." The Bonds are obligations of the District, and are not obligations of the State of Texas, Brazoria County, Texas, the City of Manvel, Texas, or any entity other than the District.

Other Characteristics .... The Bonds are issued in fully registered form, without coupons, in the denomination of $5,000 each, or any integral multiple thereof.

Use of Bond Proceeds .... Proceeds of the sale of the Series 2023 Bonds will be used by the District to (i) finance the District's cost of acquisition or construction of (a) water distribution, wastewater collection and storm drainage facilities to serve Lakeland, Sections 2, 4 and 5 and Terra Estates; Lakeland subdivision detention ponds and drainage channel improvements – Phase III; Lakeland subdivision detention ponds improvements – Phase IV; (b) land acquisition costs; and (c) a stormwater pollution prevention plan; (ii) pay an escrow to the City of Manvel (the "City") for future drainage improvements and pay the City water and wastewater impact fees; (iii) pay interest on advances made on behalf of the District; and (iv) pay for administrative and issuance costs, legal fees, fiscal agent's fees, fees to the TCEQ and the Attorney General of Texas, engineering fees, operating expenses of the District, and certain financing costs related to the issuance of the Series 2023 Bonds. See "THE BONDS - Use and Distribution of Bond Proceeds."

Proceeds of the sale of the Series 2023A Park Bonds will be used by the District to (i) finance the District's cost of acquisition or construction of (a) water distribution, wastewater collection and storm drainage facilities to serve Lakeland, Sections 1, 2 and 5, Terra Estates, and Lakeland, Section 3 Phase I; Lakeland subdivision detention ponds irrigation and landscaping – Phase I, Parts I and II; Lakeland subdivision detention ponds and drainage channel improvements – Phases I and II; Lakeland subdivision, Sections 1 through 5 recreational amenities; and (b) land acquisition costs; (ii) pay interest on advances made on behalf of the District; and (iii) pay for administrative and issuance costs, legal fees, fiscal agent's fees, fees to the TCEQ and the Attorney General of Texas, engineering fees, and certain financing costs related to the issuance of the Series 2023A Park Bonds. See "THE BONDS - Use and Distribution of Bond Proceeds."

Payment Record .... The Series 2023 Bonds are the third series of bonds issued by the District for the purpose of acquiring and constructing a waterworks, sanitary sewer and storm drainage system (the "System") to serve the District. The Series 2023A Park Bonds are the initial series of bonds issued by the District to finance recreational facilities. The District has previously issued Unlimited Tax Bonds, Series 2018 (the "Series 2018 Bonds") and Unlimited Tax Bonds, Series 2020 (the "Series 2020 Bonds") to finance components of the System. Collective reference is made in this Official Statement to all of such bonds previously issued by the District as the "Prior Bonds." As of the date hereof, the principal amount of the Prior Bonds that has not been previously retired by the District is $12,640,000 (the "Outstanding Bonds"). After issuance of the Bonds, the aggregate principal amount of the District's bonded indebtedness, including the Bonds, will be $23,860,000. In addition to the components of the System that the District has financed with the proceeds of the Prior Bonds, and the components of the System and the recreational facilities that the District is financing with proceeds of the Bonds, the District expects to finance the acquisition or construction of additional components of the System and recreational facilities with the proceeds of bonds, if any, to be issued by the District in the future. See "THE BONDS - Authority for Issuance," and - "Issuance of Additional Debt," "THE SYSTEM," and "INVESTMENT CONSIDERATIONS - Future Debt."

Not Qualified Tax-Exempt Obligations .... The Bonds are **not** "qualified tax-exempt obligations" within the meaning of Section 265(b) of the Internal Revenue Code of 1986, as amended.

Authorized But Unissued Bonds.................... $40,520,000 bonds for waterworks, wastewater and drainage facilities, and refunding bonds issued for such purposes, and $4,570,000 for parks and recreational facilities, and refunding of bonds issued for such purposes will remain authorized but unissued after issuance of the Bonds. See "THE BONDS - Authority for Issuance" and - "Issuance of Additional Debt," "THE SYSTEM" and "INVESTMENT CONSIDERATIONS - Future Debt."

Municipal Bond Insurance............................ Build America Mutual Assurance Company ("BAM" or the "Insurer"). See "BOND INSURANCE" and "BOND INSURANCE RISK FACTORS."

Municipal Bond Ratings............................... S&P Global Ratings (BAM Insured) "AA" (stable outlook). Moody's Investors Services, Inc. (Underlying) "Baa2" (stable outlook). See "BOND INSURANCE," "BOND INSURANCE RISK FACTORS" and "RATINGS."

Bond Counsel .... Allen Boone Humphries Robinson LLP, Houston, Texas, Bond Counsel. See "LEGAL MATTERS" and "TAX MATTERS."

THE DISTRICT

Description .... The District, a political subdivision of the State of Texas, was created by Order of the TCEQ, dated September 9, 2008. The District contains approximately 338.46 acres of land. The District is located entirely within the corporate boundaries of the City of Manvel, Texas (the "City"). The District is located 18 miles south of the central business district of Houston, Texas. The District is approximately 2 miles east of the intersection of State Highway 6 and State Highway 288. The District is accessed from State Highway 6 and Farm-to-Market Road 1128. The District lies within the Alvin Independent School District. See "THE DISTRICT - General" and - "Description," and "APPENDIX A - LOCATION MAP."

The District obtains water, sewer and drainage service from the City. The City and the District entered into a Utility Agreement dated July 28, 2008 (the "Original Agreement"), which was amended on May 11, 2015 (the "Amended Utility Agreement'), (the Original Agreement and Amended Utility Agreement are collectively referred to as the "Utility Agreement"), to provide a water distribution system, sanitary sewer collection system and drainage system (the "System") and certain recreational facilities to serve the District. In consideration of the District acquiring and constructing the System on behalf of the City, the City agreed, pursuant to the terms and conditions of the Utility Agreement, to own and operate the System (other than detention facilities, which are owned and operated by the District) and certain recreational facilities

Authority .... The rights, powers, privileges, authority and functions of the District are established by Article XVI, Section 59 of the Constitution of the State of Texas and the general laws of the State of Texas pertaining to municipal utility districts, particularly Chapters 49 and 54 of the Texas Water Code, as amended. See "THE DISTRICT - General."

Development and Home Construction........... According to the District's Engineer, as of June 1, 2023, underground water distribution, wastewater collection, and storm drainage/detention facilities and street paving have been completed to serve 735 single-family residential lots located in Lakeland, Sections 1 through 5, and Terra Estates (approximately 302.05 total acres, including easements, rights-of-way, detention ponds, or areas otherwise not available for future development) in the District as is delineated in the chart that appears in this Official Statement under the caption "DEVELOPMENT AND HOME CONSTRUCTION." The Alvin Independent School District owns approximately 37.6 acres located within the District which are not subject to taxation by the District.

Lakeland Communities, L.P. (defined under the caption "DEVELOPERS"), has completed the development of 669 single-family residential lots that have been subdivided as Lakeland, Sections 1 through 5. Lakeland Communities owns no additional land located within the District. Terra Estates LLC (defined under the caption "DEVELOPERS") has completed the development of 66 single-family residential lots (approximately 19.75 acres) that have been subdivided as Terra

Estates. Homes have been built on all of such 735 single-family residential lots located in Lakeland, Sections 1 through 5, and Terra Estates, and all of such homes have been conveyed to home purchasers. Terra Estates owns an undeveloped commercial reserve of approximately 1.18 acres located within the District. See "INVESTMENT CONSIDERATIONS - Factors Affecting Taxable Values and Tax Payments," "DEVELOPERS," "FUTURE DEVELOPMENT" and “TAX DATA - Principal 2022 Taxpayers.

Developers.. As is described under the caption "DEVELOPMENT AND HOME CONSTRUCTION,” Lakeland Communities, L.P., a Texas limited partnership ("Lakeland Communities") whose general partner is Lakeland, GP, L.L.C. and whose principal limited partners are Cervelle Custom Homes, Ltd. and Lakeland Manvel Development, L.P., has completed the development of 669 single-family residential lots (approximately 282.30 total acres, including easements, rights-of-way, detention ponds, or areas otherwise not available for future development) that have been subdivided as Lakeland, Sections 1 through 5. Lakeland Communities owns no additional land located within the District.

Terra Estates LLC, a Texas limited liability company ("Terra Estates") whose manager is Mac West, Inc., a Texas corporation, has completed the development of 66 single-family residential lots (approximately 19.75 acres) that have been subdivided as Terra Estates.

Homes have been built on all of such 735 single-family residential lots located in Lakeland, Sections 1 through 5, and Terra Estates, and all of such homes have been conveyed to home purchasers. Terra Estates owns an undeveloped commercial reserve of approximately 1.18 acres located within the District.

Lakeland Communities and Terra Estates are together referred to herein as the “Developers.”

The District cannot represent whether, or when, the development of any the aforementioned currently undeveloped acres might occur.

INVESTMENT CONSIDERATIONS

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

SELECTED FINANCIAL INFORMATION
(UNAUDITED)

2022 Assessed Valuation (As of January 1, 2022) See "TAX DATA" and "TAXING PROCEDURES"	$	220,716,369	(a)
2023 Preliminary Valuation (As of January 1, 2023) See "TAX DATA" and "TAXING PROCEDURES"	$	259,693,089	(b)
Direct Debt:			
Outstanding Bonds	$	12,640,000	
The Bonds		11,220,000	
Total	$	23,860,000	(c)
Estimated Overlapping Debt	$	25,994,787	
Total Direct and Estimated Overlapping Debt	$	49,854,787	
Direct Debt Ratio			
: as a percentage of 2022 Assessed Valuation		10.81	%
: as a percentage of 2023 Preliminary Valuation		9.19	%
Direct and Overlapping Debt Ratio			
: as a percentage of 2022 Assessed Valuation		22.59	%
: as a percentage of 2023 Preliminary Valuation		19.20	%
Debt Service Fund Balance as of May 10, 2023	$	2,442,837	(d)
General Fund Balance as of May 10, 2023	$	812,402	
2022 Tax Rate per $100 of Assessed Valuation			
Debt Service Tax	$	0.62	
Maintenance Tax		0.12	
Total	$	0.74	(e)
Average Percentage of Total Tax Collections (2012-2021) as of May 31, 2023		99.96	%
Percentage of Tax Collections of 2022 Levy as of May 31, 2023 (In process of collection)		99.33	%
Average Annual Debt Service Requirements on the Bonds and the Outstanding Bonds (2025-2045)	$	1,617,677	
Maximum Annual Debt Service Requirements on the Bonds and the Outstanding Bonds (2045)	$	1,694,063	
Tax Rate per $100 of Assessed Valuation Required to Pay Average Annual Debt Service Requirements on the Bonds and the Outstanding Bonds (2025-2045) at 95% Tax Collections			
Based Upon 2022 Assessed Valuation	$	0.78	
Based Upon 2023 Preliminary Valuation	$	0.66	

Tax Rate per $100 of Assessed Valuation Required to Pay Maximum Annual Debt Service Requirements on the Bonds and the Outstanding Bonds (2045) at 95% Tax Collections		
Based Upon 2022 Assessed Valuation	$	0.81
Based Upon 2023 Preliminary Valuation	$	0.69
Number of Single Family Homes		735

(a) As of January 1, 2022, and comprises the District's 2022 tax roll. All property located in the District is valued on the tax rolls by the Brazoria County Appraisal District (the "Appraisal District") at 100% of assessed value as of January 1 of each year. The District's tax roll is certified by the Brazoria County Appraisal Review Board (the "Appraisal Review Board"). See "INVESTMENT CONSIDERATIONS - Factors Affecting Taxable Values and Tax Payments" and "TAXING PROCEDURES."

(b) This amount is the sum of the preliminary values of all taxable property located within the District as of January 1, 2023, as reflected on the District's preliminary 2023 tax roll supplied to the District by the Appraisal District, and includes the preliminary 2023 values resulting from the construction of taxable improvements from January 1, 2022, through December 31, 2022. When the Appraisal District supplies a taxing entity with a preliminary tax roll, such preliminary tax roll does not include personal property values. Therefore, this amount includes the 2022 taxable value of personal property located within the District. The taxable value of personal property on the District's 2022 tax roll was $6,360,700. The District's ultimate 2023 Assessed Valuation may vary significantly from such preliminary tax roll once the Appraisal Review Board certifies the value thereof for 2023. See "INVESTMENT CONSIDERATIONS - Factors Affecting Taxable Values and Tax Payments" and "TAXING PROCEDURES."

(c) In addition to the components of the System that the District has financed with the proceeds of the Prior Bonds, and the components of the System and the recreational facilities that the District is financing with proceeds of the Bonds, the District expects to finance the acquisition or construction of additional components of the System and recreational facilities with the proceeds of bonds, if any, to be issued by the District in the future. See "THE BONDS - Issuance of Additional Debt" and - "Use and Distribution of Bond Proceeds," "FUTURE DEVELOPMENT," "THE SYSTEM" and "INVESTMENT CONSIDERATIONS - Future Debt."

(d) Neither Texas law nor the Bond Resolution requires the District to maintain any particular sum in the Debt Service Fund. Such fund balance reflects the timely payment by the District of the debt service requirements on the Outstanding Bonds that were due for on March 1, 2023. The District's remaining debt service payments for 2023, which are due on September 1, 2023, total $592,222. The District's initial debt service payment on the Bonds is due on March 1, 2024, and consists of an interest payment thereon.

(e) The District levied a debt service tax in the amount of $0.62 per $100 of Assessed Valuation for 2022, plus a maintenance tax of $0.12 per $100 of Assessed Valuation. The District lies wholly within the municipal boundaries of the City of Manvel (the "City"),and all land within the district is subject to taxation by the City. As is described in this Official Statement under the caption "TAX DATA - Estimated Overlapping Taxes," the aggregate of the 2022 tax levies of all units of government which levy taxes against the property located within the District, plus the 2022 tax of the District is $3.440696 per $100 of Assessed Valuation. Such aggregate levy is higher than the aggregate of the tax levies of many municipal utility districts located in the greater Houston metropolitan area, but is within the range of the aggregate tax levies of many municipal utility districts in the Houston metropolitan area which are in stages of development comparable with the District. See "INVESTMENT CONSIDERATIONS - Factors Affecting Taxable Values and Tax Payments."

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 61

$9,290,000 UNLIMITED TAX BONDS SERIES 2023	$1,930,000 UNLIMITED TAX PARK BONDS SERIES 2023A

INTRODUCTION

This Official Statement provides certain information with respect to the issuance by Brazoria County Municipal Utility District No. 61 (the "District") of its $9,290,000 Unlimited Tax Bonds, Series 2023 (the "Series 2023 Bonds") and the $1,930,000 Unlimited Tax Park Bonds, Series 2023A (the "Series 2023A Park Bonds") (together referred to herein as the "Bonds"), The Bonds are issued pursuant to Article XVI, Section 59 of the Texas Constitution, the general laws of the State of Texas, including particularly Chapters 49 and 54, Texas Water Code, as amended, an order of the Texas Commission on Environmental Quality (the "TCEQ") dated May 9, 2023, an election held within the District (see "THE BONDS - Authority for Issuance"), and separate resolutions authorizing issuance of the Bonds (collectively, the "Bond Resolution") adopted by the Board of Directors of the District (the "Board").

Included in this Official Statement are descriptions of the Bonds, the plan of financing, and certain information about the District and its finances. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from Allen Boone Humphries Robinson LLP, Phoenix Tower, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027, upon payment of duplication costs. Certain capitalized terms used in this Official Statement have the same meanings assigned to such terms in the Bond Resolution, except as otherwise indicated herein.

THE BONDS

General

The Bonds are dated August 1, 2023, and interest accrues from the date of initial delivery (the "Date of Delivery"), at the rates shown on the inside cover page hereof, with interest payable on March 1, 2024, and on each September 1 and March 1 thereafter until the earlier of stated maturity or redemption. An aggregate of $8,605,000 of the Series 2023 Bonds are issued as serial bonds maturing on September 1 in each of the years 2025 through 2034, both inclusive, and 2037 through 2045, both inclusive, in the principal amounts set forth on the inside cover page of this Official Statement. $685,000 of the Series 2023 Bonds are issued as term bonds maturing on September 1, 2036 (the "Series 2023 Term Bonds"), in the principal amounts and at the rates set forth on the inside cover page of this Official Statement. An aggregate of $915,000 of the Series 2023A Park Bonds are issued as serial bonds maturing on September 1 in each of the years 2025 through 2028, both inclusive, and 2043 through 2045, both inclusive, in the principal amounts set forth on the inside cover page of this Official Statement. An aggregate of $1,015,000 of the Series 2023A Park Bonds are issued as term bonds maturing on September 1 in each of the years 2030, 2032, 2034, 2036, 2038, 2040 and 2042 (collectively, the " Series 2023A Park Term Bonds"), in the principal amounts and at the rates set forth on the inside cover page of this Official Statement. The Series 2023 Term Bonds and the Series 2023A Park Term Bonds are collectively referred to herein as the "Term Bonds." The Bonds are issued in fully registered form, without coupons, in the denomination of $5,000 each, or any integral multiple thereof. Principal of the Bonds will be payable by the paying agent/registrar, initially, The Bank of New York Mellon Trust Company, N.A., in Dallas, Texas, or any successor paying agent/registrar (the "Paying Agent," "Paying Agent/Registrar," or "Registrar"). Interest on the Bonds will be payable by check or draft, dated as of the interest payment date, and mailed by the Registrar to Registered Owners as shown on the records of the Registrar ("Registered Owners") at the close of business on the 15th calendar day of the month next preceding the interest payment date (the "Record Date").

Book-Entry-Only System

This section describes how ownership of the Bonds is to be transferred and how the principal of and interest on the Bonds are to be paid to and credited by The Depository Trust Company, New York, New York, ("DTC") while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System *has been provided by DTC for use in disclosure documents such as this Official Statement. The District and the Financial Advisor believe the source of such information to be reliable, but neither of the District or the Financial Advisor takes any responsibility for the accuracy or completeness thereof.*

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

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a S&P Global 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 Direct Participants, which will receive a credit for the Bonds 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 and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

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

Redemption notices shall be sent to DTC. If 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.

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

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

Assignments, Transfers and Exchanges

In the event the Book-Entry-Only System is discontinued, the Bonds may be transferred, registered and assigned only on the registration books of the Registrar, and such registration and transfer shall be without expense or service charge to the Registered Owner, except for any tax or other governmental charges required to be paid with respect to such registration and transfer. A Bond may be assigned by the execution of an assignment form on the Bonds or by other instrument of transfer and assignment acceptable to the Registrar. Any Bond may be transferred or exchanged upon its presentment and surrender at the office of the Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the Registered Owner or assignee of the owner in not more than three business days after the receipt 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 denominations of $5,000 or any integral multiple thereof for any one maturity and for a like aggregate principal amount or maturity amount as the Bond or Bonds surrendered for exchange or transfer. Neither the District nor the Registrar is required (1) to 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 (2) to transfer or exchange any Bond selected for redemption in whole or in part within thirty (30) calendar days of the redemption date. The District has agreed to replace mutilated, destroyed, lost or stolen Bonds upon surrender of the mutilated Bonds, or receipt of satisfactory evidence of such destruction, loss or theft and receipt by the District and the Registrar of security or indemnity to keep them harmless. The District will require payment of taxes, governmental charges and other expenses in connection with any such replacement.

Redemption Provisions

Mandatory Redemption

The Series 2023 Term Bonds maturing on September 1, 2036, shall be redeemed, at a price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption, on September 1 in each of the years and in the principal amounts set forth in the following schedule (with each such scheduled principal amount reduced by the principal amount as may have been previously redeemed through the exercise of the District's reserved right of optional redemption, as provided under "Optional Redemption" below).

$685,000 Term Bonds Maturing on September 1, 2036

Mandatory Redemption Dates	Principal Amount
September 1, 2035	$335,000
September 1, 2036 (maturity)	350,000

The Series 2023A Park Term Bonds maturing on September 1 in each of the years 2030, 2032, 2034, 2036, 2038, 2040 and 2042 shall be redeemed, at a price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption, on September 1 in each of the years and in the principal amounts set forth in the following schedule (with each such scheduled principal amount reduced by the principal amount as may have been previously redeemed through the exercise of the District's reserved right of optional redemption, as provided under "Optional Redemption" below).

$115,000 Term Bonds Maturing on September 1, 2030

Mandatory Redemption Dates	Principal Amount
September 1, 2029	$55,000
September 1, 2030 (maturity)	60,000

$125,000 Term Bonds Maturing on September 1, 2032

Mandatory Redemption Dates	Principal Amount
September 1, 2031	$60,000
September 1, 2032 (maturity)	65,000

$140,000 Term Bonds Maturing on September 1, 2034

Mandatory Redemption Dates	Principal Amount
September 1, 2033	$70,000
September 1, 2034 (maturity)	70,000

$145,000 Term Bonds Maturing on September 1, 2036

Mandatory Redemption Dates	Principal Amount
September 1, 2035	$70,000
September 1, 2036 (maturity)	75,000

$150,000 Term Bonds Maturing on September 1, 2038

Mandatory Redemption Dates	Principal Amount
September 1, 2037	$75,000
September 1, 2038 (maturity)	75,000

$165,000 Term Bonds Maturing on September 1, 2040

Mandatory Redemption Dates	Principal Amount
September 1, 2039	$80,000
September 1, 2040 (maturity)	85,000

$175,000 Term Bonds Maturing on September 1, 2042

Mandatory Redemption Dates	Principal Amount
September 1, 2041	$85,000
September 1, 2042 (maturity)	90,000

On or before 30 days prior to each Mandatory Redemption date set forth above, the Registrar shall (i) determine the principal amount of such Term Bonds that must be mandatorily redeemed on such Mandatory Redemption Date, after taking into account deliveries for cancellation and optional redemptions as more fully provided for below, (ii) select, by lot or other customary method of random selection, the Term Bonds or portions of Term Bonds of such maturity to be mandatorily redeemed on such Mandatory Redemption Date, and (iii) give notice of such redemption as provided in the Bond Resolutions. The principal amount of any Term Bonds to be mandatorily redeemed on such Mandatory Redemption Date shall be reduced by the principal amount of such Term Bonds, which, by the 45th day prior to such Mandatory Redemption Date, either has been purchased in the open market and delivered or tendered for cancellation by or on behalf of the District to the Registrar or optionally redeemed and which, in either case, has not previously been made the basis for a reduction under this sentence.

Optional Redemption

The District reserves the right, at its option, to redeem the outstanding amounts of the Bonds, including the Term Bonds, maturing on and after September 1, 2029, prior to their scheduled maturities, in whole or from time to time in part, in integral multiples of $5,000, on September 1, 2028, or any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption. If fewer than all of the Bonds are to be optionally redeemed, the particular maturity or maturities and the amounts thereof to be redeemed shall be determined by the District. If fewer than all of the Bonds of the same maturity are to be redeemed, the particular Bonds to be redeemed shall be selected by DTC in accordance with is procedures, so long as the Bonds are registered in accordance with the Book-Entry-Only System. See “BOOK- ENTRY-ONLY SYSTEM.” If fewer than all of the Term Bonds of a maturity are to be redeemed, the District will notify the Paying Agent/Registrar of the reductions in the remaining mandatory redemption amounts of such maturity to result from the optional redemption. Notice of each exercise of the reserved right of optional redemption shall be given at least thirty (30) calendar days prior to the date fixed for redemption, in the manner specified in the Bond Resolution.

Effects of Redemption

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

Replacement of Registrar

Provision is made in the Bond Resolution for replacement of the Registrar. If the Registrar is replaced by the District, the new paying agent/registrar shall act in the same capacity as the previous Registrar. In order to act as 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

At an election held within the District on November 6, 2012, voters of the District authorized a total of $63,500,000 in bonds for the purpose of acquiring or constructing water, sanitary sewer and drainage facilities (the "System"), and refunding bonds issued for such purposes. The Series 2023 Bonds constitute the third issuance of bonds from such authorization. At an election held within the District on November 6, 2012, voters of the District authorized a total of $6,500,000 in bonds for parks and recreational facilities, and refunding bonds issued for such purposes. The Series 2023A Park Bonds constitute the initial issuance of bonds from such authorization. The Bonds are issued by the District pursuant to the terms and provisions of the Bond Resolution; Article XVI, Section 59 of the Texas Constitution; Chapters 49 and 54 of the Texas Water Code, as amended; and an order of the Texas Commission on Environmental Quality (the "TCEQ" or "Commission").

Before the Bonds can be issued, the Attorney General of Texas must pass upon the legality of certain related matters. The Attorney General of Texas does not guarantee or pass upon the safety of the Bonds as an investment or upon the adequacy of the information contained in this Official Statement.

Source of Payment

The Bonds (together with the Outstanding Bonds, as defined herein, and such additional tax bonds as may hereafter be issued by the District) are payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property located within the District. In the Bond Resolution, the District covenants to levy a sufficient tax to pay principal of and interest on the Bonds, with full allowance being made for delinquencies, costs of collections, and Registrar fees. Tax proceeds, after deduction for collection costs, will be placed in the debt service fund and used solely to pay principal of and interest on the Bonds, on such additional bonds payable from taxes which may be issued, and Registrar fees.

The Bonds are obligations of the District and are not the obligations of the State of Texas, Brazoria County, the City of Manvel, Texas, or any entity other than the District.

Issuance of Additional Debt

The District may issue additional bonds with the approval of the TCEQ (other than refunding bonds), necessary to provide improvements and facilities consistent with the purposes for which the District was created. The District's voters have authorized the issuance of $63,500,000 unlimited tax bonds for construction of the System, and refunding purposes, and could authorize additional amounts. Following the issuance of the Series 2023 Bonds, $40,520,000 unlimited tax bonds will remain authorized but unissued for construction of the System, and refunding purposes. The District's voters also have authorized $6,500,000 in unlimited tax bonds for parks and recreational facilities and refunding purposes. Following the issuance of the Series 2023A Park Bonds, $4,570,000 unlimited tax bonds will remain authorized but unissued for construction of parks and recreational facilities, and refunding purposes. The Bond Resolution imposes no limitation on the amount of additional parity bonds which may be issued by the District (if authorized by the District's voters and approved by the Board and the TCEQ.) In addition to the components of the System that the District has financed with the proceeds of the Prior Bonds, and the components of the System and the recreational facilities that the District is financing with proceeds of the Bonds, the District expects to finance the acquisition or construction of additional components of the System and recreational facilities with the proceeds of bonds, if any, to be issued by the District in the future.

Based on present engineering cost estimates and on development plans supplied by the Developers (hereinafter defined), in the opinion of the District's consulting engineer, Coastal Bend Engineering, LLC (the "Engineer"), the $40,520,000 authorized but unissued bonds for water, sewer and drainage facilities will be adequate to finance the extension of water, wastewater and storm drainage/detention facilities and services to the District to serve all of the remaining undeveloped portions of the District. See "DEVELOPMENT OF THE DISTRICT," FUTURE DEVELOPMENT," and "THE SYSTEM."

The District is authorized by statute to develop parks and recreational facilities, including the issuance of bonds payable from taxes for such purpose. Before the District could issue park bonds payable from taxes, the following actions would be required: (a) approval of the park plan and bonds by the TCEQ; and (b) approval of the bonds by the Attorney General of Texas. If the District does issue park bonds, the outstanding principal amount of such bonds may not exceed an amount equal to one percent of the value of the taxable property in the District, unless the District meets certain financial feasibility requirements under the TCEQ rules, in which case the outstanding principal amount of such bonds issued by the District may exceed an amount equal to one percent but not three percent of the value of the taxable property in the District. At an election held on November 6, 2012, voters of the District authorized $6,500,000 in bonds for parks and recreational facilities and refunding of same. The Series 2023A Park Bonds are the initial issuance of bonds from such authorization.

No Arbitrage

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

Dissolution

Under existing Texas law, since the District lies wholly within the corporate limits of the City of Manvel, Texas, the District may be dissolved by the City of Manvel, without the District's consent, subject to compliance by the City of Manvel with various requirements of Chapter 43 of the Texas Local Government Code, as amended. If the District is dissolved, the City of Manvel must assume the District's assets and obligations (including the Bonds) and abolish the District within 90 days of the date of dissolution. Dissolution of the District by the City of Manvel is a policy-making matter within the discretion of the Mayor and City Council of the City of Manvel; therefore, the District makes no representation that the City of Manvel will ever dissolve the District and assume its obligations. Moreover, no representation is made concerning the ability of the City of Manvel to make debt service payments should dissolution occur.

Consolidation

The District has the legal authority to consolidate with other districts and, in connection therewith, to provide for the consolidation of its assets (such as cash and any portion of the System not conveyed to the City of Manvel), and liabilities (such as the Bonds), with the assets and liabilities of the district or districts with which it is consolidating. Although no consolidation is presently contemplated by the District, no representation is made concerning the likelihood of consolidation in the future.

Registered Owners' Remedies

Pursuant to Texas law, the Bond Resolution provides that, in the event the District defaults in the payment of the principal of or interest on any of the Bonds when due, fails to make payments required by the Bond Resolution into the Debt Service Fund, or defaults in the observance or performance of any of the other covenants, conditions or obligations set forth in the Bond Resolution, any Registered Owner shall be entitled to seek a writ of mandamus from a court of competent jurisdiction compelling and requiring the District to make such payments or to observe and perform such covenants, obligations or conditions. Such right is in addition to other rights the Registered Owners may be provided by the laws of the State of Texas.

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 observe and perform its covenants and obligations to levy adequate taxes to make such payments. Except for the remedy of mandamus, the Bond Resolution 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. Even if 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 9 bankruptcy proceeding by the District could delay or eliminate payment of principal or interest to the Registered Owners. See “Bankruptcy Limitation to Registered Owners' Rights” below. Certain traditional legal remedies also may not be available.

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. 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 debts; 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 municipal utility district such as the District must obtain the 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.

The District may not be placed into bankruptcy involuntarily.

Legal Investment and Eligibility to Secure Public Funds in Texas

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

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

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

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

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

Defeasance

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

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

There is no assurance that the current law will not be changed in the future in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds. Because the Bond Resolution does not contractually limit such investments, Registered Owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality of those currently permitted under Texas law.

Use and Distribution of Bond Proceeds

Proceeds of the sale of the Series 2023 Bonds will be used by the District to (i) finance the District's cost of acquisition or construction of (a) water distribution, wastewater collection and storm drainage facilities to serve Lakeland, Sections 2, 4 and 5 and Terra Estates; Lakeland subdivision detention ponds and drainage channel improvements – Phase III; Lakeland subdivision detention ponds improvements – Phase IV; (b) land acquisition costs; and (c) a stormwater pollution prevention plan; (ii) pay an escrow to the City of Manvel (the "City") for future drainage improvements and pay the City water and wastewater impact fees; (iii) pay interest on advances made on behalf of the District; and (iv) pay for administrative and issuance costs, legal fees, fiscal agent's fees, fees to the TCEQ and the Attorney General of Texas, engineering fees, operating expenses of the District, and certain financing costs related to the issuance of the Series 2023 Bonds.

Proceeds of the sale of the Series 2023A Park Bonds will be used by the District to (i) finance the District's cost of acquisition or construction of (a) water distribution, wastewater collection and storm drainage facilities to serve Lakeland, Sections 1, 2 and 5, Terra Estates, and Lakeland, Section 3 Phase I; Lakeland subdivision detention ponds irrigation and landscaping – Phase I, Parts I and II; Lakeland subdivision detention ponds and drainage channel improvements – Phases I and II; Lakeland subdivision, Sections 1 through 5 recreational amenities; and (b) land acquisition costs; (ii) pay interest on advances made on behalf of the District; and (iii) pay for administrative and issuance costs, legal fees, fiscal agent's fees, fees to the TCEQ and the Attorney General of Texas, engineering fees, and certain financing costs related to the issuance of the Series 2023A Park Bonds.

Series 2023 Bonds

Construction Costs	**District Share**
A. Developer Contribution Items (a)	
1. Lakeland Subdivision, Section 2 Water, Wastewater and Drainage	$ 25,728
2. Lakeland Subdivision, Section 4 Water, Wastewater and Drainage	31,460
3. Lakeland Subdivision, Section 5 Water, Wastewater and Drainage	1,795,379
4. Terra Estates Water, Wastewater and Drainage	1,575,474
5. Lakeland Subdivision Detention Ponds and Drainage Channel Improvements – Phase III	11,120
6. Lakeland Subdivision Detention Pond Improvements – Phase IV	677,354
7. Engineering (Items 1 – 6)	561,375
8. Stormwater Pollution Prevention Plans (Item 4)	7,360
9. City Escrow for Future Drainage Improvements	195,753
10. Impact Fees	
a. Water Impact Fees	1,208,050
b. Wastewater Impact Fees	138,600

11. Land Acquisition	924,423
Total Developer Contribution Items	$7,152,076

B. District Items

None

TOTAL CONSTRUCTION COSTS	$7,152,076

Non-Construction Costs

1. Legal Fees	$ 210,071
2. Fiscal Agent Fees	185,800
3. Developer Interest (b)	1,333,477
4. Bond Discount	277,364
5. Operating Expenses	26,274
6. Bond Issuance Expenses	36,087
7. Bond Application Report Costs	35,000
8. Attorney General Fee	9,290
9. TCEQ Bond Issuance Fee	23,225
10. Contingencies (c)	1,336
TOTAL NON-CONSTRUCTION COSTS	$2,137,924
SERIES 2023 BOND ISSUE REQUIREMENT	$9,290,000

Series 2023A Park Bonds

Construction Costs	**District Share**
C. Developer Contribution Items (a)	
1. Lakeland Subdivision, Section 1 Water, Wastewater and Drainage	$ 2,400
2. Lakeland Subdivision, Section 2 Water, Wastewater and Drainage	3,276
3. Lakeland Subdivision, Section 5 Water, Wastewater and Drainage	34,380
4. Terra Estates Water, Wastewater and Drainage	13,877
5. Lakeland Subdivision Detention Pond Irrigation and Landscaping – Phase I, Part I	6,000

6.	Lakeland Subdivision Detention Pond Irrigation and Landscaping – Phase I, Part II	27,163
7.	Lakeland Subdivision Detention Pond and Drainage Channel Improvements – Phase I	384,812
8.	Lakeland Subdivision Detention Ponds and Drainage Channel Improvements – Phase II	106,455
9.	Lakeland Subdivision, Section 3 Water, Wastewater and Drainage – Phase I	1,452
10.	Lakeland Subdivision, Sections 1 – 5 Recreational Amenities	652,962
11.	Engineering (Items 1 - 9)	123,796
12.	Land Acquisition	493,116
	Total Developer Contribution Items	$1,849,689

D. District Items
None

TOTAL CONSTRUCTION COSTS	$1,849,689
Less Use of Surplus Funds	($305,000)
NET TOTAL CONSTRUCTION COSTS	1,544,689

Non-Construction Costs

1. Legal Fees	$ 54,329
2. Fiscal Agent Fees	38,600
3. Developer Interest (b)	199,097
4. Bond Discount	57,731
5. Bond Issuance Expenses	23,630
6. Bond Application Report Costs	5,000
7. Attorney General Fee	1,930
8. TCEQ Bond Issuance Fee	4,825
9. Contingencies (c)	169
TOTAL NON-CONSTRUCTION COSTS	$385,311
SERIES 2023A PARK BOND ISSUE REQUIREMENT	$1,930,000
TOTAL BOND ISSUE REQUIREMENT	$11,220,000

(a) The rules of the TCEQ require in certain instances that developers within a district subject to the jurisdiction of the TCEQ contribute to the construction program of such district an amount of money equal to thirty percent (30%) of the construction costs of certain water, sewer and drainage facilities in that district. The District requested an exemption from such developer participation requirement with respect to certain facilities being financed with portions of the proceeds of the sale of the Bonds on the basis of one of the criteria under TCEQ rules for such exemption. The TCEQ granted the request for such exemption in its order authorizing the District to issue the Bonds.

(b) Represents interest owed to the Developers on advances they have made on the District's behalf. The actual amount of interest owed will be calculated at the lesser of (i) the net effective interest rate borne by the Bonds or (ii) the interest rate at which the Developers have borrowed funds.

(c) The TCEQ directed that any surplus funds resulting from the sale of bonds at a lower interest rate than proposed shall be shown as a contingency line item. The use of these funds is subject to approval by the TCEQ.

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 reimburse the developers for the costs of the above-described facilities. However, the District cannot and does not guarantee the sufficiency of such funds for such purposes.

THE DISTRICT

General

The District, a municipal utility district, was created by Order of the Commission dated September 9, 2008. The District operates pursuant to Article XVI, Section 59 of the Texas Constitution, the provisions of Chapter 49 and Chapter 54 of the Texas Water Code, as amended, and other general statutes of Texas applicable to municipal utility districts. The District, which lies totally within the corporate limits of the City of Manvel, is subject to the continuing supervisory jurisdiction of the TCEQ.

The District is empowered, among other things, to finance, purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the supply and distribution of water; the collection, transportation and treatment of wastewater; and the control and diversion of storm water. The District may issue bonds and other forms of indebtedness to purchase or construct such facilities. The District may also provide solid waste disposal and collection services. The District is also empowered to establish, operate and maintain fire-fighting facilities, independently or with one or more conservation and reclamation districts, after approval by the TCEQ and the voters of the District.

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

Utility Agreement

The District is located wholly within the corporate limits of the City and obtains water, sewer and drainage service from the City. The City and the District, entered into a Utility Agreement dated July 28, 2008 (the “Original Agreement’) which was amended on May 11, 2015 (the “Amended Utility Agreement’), (the Original Agreement and Amended Utility Agreement are collectively referred to as the “Utility Agreement”), to provide a water distribution system, sanitary sewer collection, system and drainage system (the “System”) and certain recreational facilities to serve the District. In consideration of the District constructing the System on behalf of the City, the City agreed, pursuant to the terms and conditions of the Utility Agreement, to own and operate the System (other than detention facilities, which are owned and operated by the District) and certain recreational facilities.

As construction of each phase of the System (other than detention facilities) is certified to be complete in accordance with the final plans and specifications approved by the City, the District is to transfer such portion of the System with construction drawings thereof to the City reserving a security interest therein until the bonds issued to acquire and construct the System have been retired. Upon transfer, the City has agreed to operate and maintain the System (other than detention facilities which are owned and operated by the District) at its expense. Under the Utility Agreement, the City has agreed to charge customers of the System the same rates charged other similar users within the City. All revenue from the System, including any charges which the City may impose for connection to the System, belongs exclusively to the City.

The City, as owner and operator of the System (other than detention facilities, which are owned and operated by the District), has agreed to supply the District with all of its requirements for potable water and wastewater treatment. See "THE SYSTEM."

Description

The District contains approximately 338.46 acres of land. The District is located entirely within the corporate boundaries of the City of Manvel, Texas (the "City"). The District is located 18 miles south of the central business district of Houston, Texas. The District is approximately 2 miles east of the intersection of State Highway 6 and State Highway 288. The District is accessed from State Highway 6 and Farm-to-Market Road 1128. The District lies within the Alvin Independent School District. See "THE DISTRICT - General" and "APPENDIX A - LOCATION MAP."

Management of the District

The District is governed by the Board of Directors, consisting of five directors. The Board of Directors has control over and management supervision of all affairs of the District. Directors serve four-year staggered terms, and elections are held within the District in May in even numbered years. The current members and officers of the Board, along with their respective terms of office, are listed below. None of the Directors currently reside within the District.

Name	Position	Term Expires in May
David B. Jackson	President	2026
Isidro Salas	Vice President	2024
Elizabeth Thornborrow	Assistant Vice President	2026
Raymond P. Ruiz	Secretary	2024
Michael Bonilla	Assistant Secretary	2024

The District does not have a general manager or any other employee, but has contracted for services, as follows.

Tax Assessor/Collector - The District has engaged Assessments of the Southwest, Inc. Friendswood, Texas, as the District's Tax Assessor/Collector. According to Assessments of the Southwest, Inc., it presently serves approximately 204 taxing units as tax assessor/collector. The Tax Assessor/Collector applies the District's tax levy to tax rolls prepared by the Brazoria County Appraisal District and bills and collects such levy.

Consulting Engineers - The District has employed the firm of Coastal Bend Engineering, LLC, Houston, Texas, as Consulting Engineer in connection with the overall planning activities and the design and construction of the System.

Bookkeeper - The District has engaged McLennan & Associates, LP as the District's Bookkeeper. According to McLennan & Associates, LP, it currently serves approximately 80 districts as bookkeeper.

Auditor - As required by the Texas Water Code, the District retains an independent auditor to audit the District's financial statements annually, which annual audited financial statements are filed with the TCEQ. The financial statements of the District as of June 30, 2022, and for the year then ended, included in this offering document, have been audited by McGrath & Co., PLLC, Certified Public Accountants, as stated in their report appearing herein. A copy of the District's financial statements for the fiscal year ended June 30, 2022, is included as "APPENDIX B" to this Official Statement.

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

Bond Counsel and General Counsel - Allen Boone Humphries Robinson LLP, Houston, Texas ("Bond Counsel") serves as Bond Counsel to the District. The fee to be paid Bond Counsel for services rendered in connection with the issuance of the Bonds is contingent upon the sale and delivery of the Bonds. In addition, Allen Boone Humphries Robinson LLP serves as general counsel to the District on matters other than the issuance of bonds.

Financial Advisor - The District has engaged Rathmann & Associates, L.P., as financial advisor (the "Financial Advisor") to the District. The fees paid the Financial Advisor for services rendered in connection with the issuance of the Bonds are based on a percentage of the Bonds actually issued and sold. Therefore, the payment of such fees is contingent upon the sale and delivery of the Bonds. Rathmann & Associates, L.P. is an independent municipal advisor registered with the United States Securities and Exchange Commission (the "SEC") and the Municipal Securities Rulemaking Board (the "MSRB"). Rathmann & Associates, L.P.'s SEC registration number is 867-00217 and its MSRB registration number is K0161. Rathmann & Associates, L.P.'s SEC registration Forms MA and MA-1's, which constitute Rathmann & Associates, L.P.'s registration filings, may be accessed through http://www.sec.gov/edgar/searchedgar/company search.html.

DEVELOPMENT AND HOME CONSTRUCTION

According to the District's Engineer, as of June 1, 2023, underground water distribution, wastewater collection, and storm drainage/detention facilities and street paving have been completed to serve 735 single-family residential lots located in Lakeland, Sections 1 through 5, and Terra Estates (approximately 302.05 total acres, including easements, rights-of-way, detention ponds, or areas otherwise not available for future development) in the District as is delineated in the chart that appears below. The Alvin Independent School District owns approximately 37.6 acres located within the District which are not subject to taxation by the District.

Lakeland Communities, L.P. (defined below under the caption "DEVELOPERS"), has completed the development of 669 single-family residential lots that have been subdivided as Lakeland, Sections 1 through 5. Lakeland Communities owns no additional land located within the District. Terra Estates LLC (defined below under the caption "DEVELOPERS") has completed the development of 66 single-family residential lots that have been subdivided as Terra Estates. Homes have been built on all of such 735 single-family residential lots located in Lakeland, Sections 1 through 5, and Terra Estates, and all of such homes have been conveyed to home purchasers. Terra Estates owns an undeveloped commercial reserve of approximately 1.18 acres located within the District. See "INVESTMENT CONSIDERATIONS - Factors Affecting Taxable Values and Tax Payments," "DEVELOPERS," "FUTURE DEVELOPMENT" and "TAX DATA - Principal 2022 Taxpayers."

As of June 1, 2023, the status of land development and home construction within the District was as follows:

	LOTS				HOMES					
			Under		Under Construction		Completed			
	Developed	Acres	Development	Acres	Sold	Unsold	Sold	Unsold	Models	Totals
Subdivision:										
Lakeland										
Section 1	86	50.24			0	0	86	0	0	86
Section 2	116	53.10			0	0	116	0	0	116
Section 3	122	40.06			0	0	122	0	0	122
Section 4	142	62.13			0	0	142	0	0	142
Section 5	203	76.77			0	0	203	0	0	203
Terra Estates	66	19.75			0	0	66	0	0	66
Totals	735	302.05			0	0	735	0	0	735

DEVELOPERS

General

In general, the activities of a developer in a municipal utility district such as the District include purchasing the land within the District, designing the subdivision, designing the utilities and streets to be emplaced in the subdivision, designing any community facilities to be built, defining a marketing program and building schedule, securing necessary governmental approvals and permits for development, arranging for the construction of roads and the installation of utilities (including, in some cases, water, sewer, and drainage facilities pursuant to the rules of the TCEQ, as well as gas, telephone, and electric service) and selling improved lots and commercial reserves to builders, developers, or other third parties. In most instances, the developer will be required to pay up to thirty percent (30%) of the cost of emplacing certain of the water, wastewater and drainage facilities in the utility district pursuant to the rules of the TCEQ. The District requested an exemption from such developer participation requirement with respect to the Prior Bonds and the Bonds on the basis of one of the criteria under TCEQ rules for such exemption. The TCEQ granted the request for such exemption in its Orders authorizing the District to issue the Prior Bonds and the Bonds. The relative success or failure of a developer to perform such activities in development of the property within a utility district may have a profound effect on the security of the unlimited tax bonds issued by a district. A developer is generally under no obligation to a district to develop the property which it owns in a district. Furthermore, there is no restriction on the developer's right to sell any or all of the land which the developer owns within a district. See “FUTURE DEVELOPMENT” below.

Description of the Developers

As is described above under the caption "DEVELOPMENT AND HOME CONSTRUCTION,” Lakeland Communities, L.P., a Texas limited partnership ("Lakeland Communities") whose general partner is Lakeland, GP, L.L.C. and whose principal limited partners are Cervelle Custom Homes, Ltd. and Lakeland Manvel Development, L.P., has completed the development of 669 single-family residential lots (approximately 282.30 total acres, including easements, rights-of-way, detention ponds, or areas otherwise not available for future development) that have been subdivided as Lakeland, Sections 1 through 5. Lakeland Communities owns no additional land located within the District.

Terra Estates LLC, a Texas limited liability company ("Terra Estates") whose manager is Mac West, Inc., a Texas corporation, has completed the development of 66 single-family residential lots (approximately 19.75 acres) that have been subdivided as Terra Estates. Terra Estates owns an undeveloped commercial reserve of approximately 1.18 acres located within the District.

Homes have been built on all of such 735 single-family residential lots located in Lakeland, Sections 1 through 5, and Terra Estates, and all of such homes have been conveyed to home purchasers.

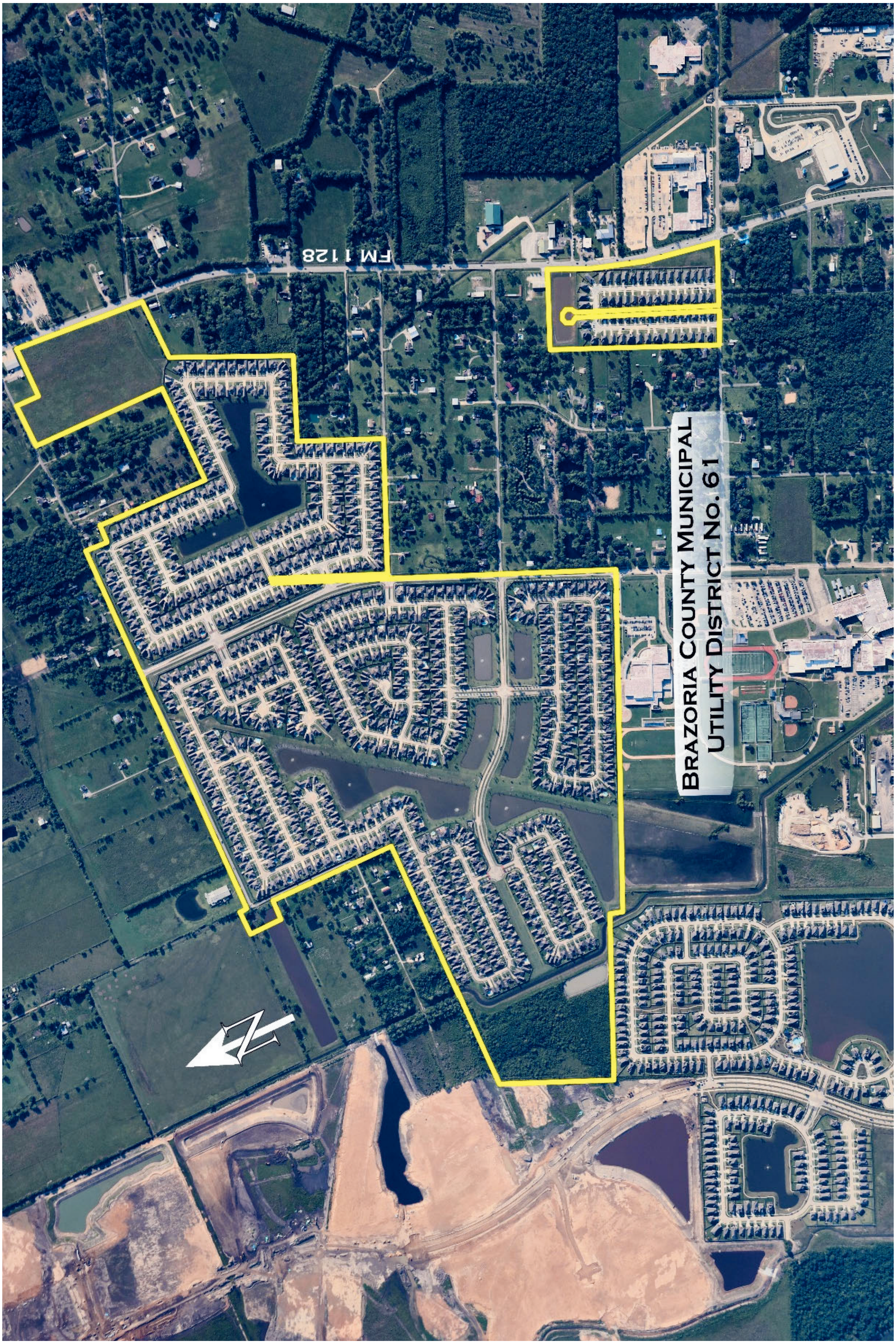
Lakeland Communities and Terra Estates are collectively referred to herein as the “Developers.”

The District cannot represent whether, or when, the development of any the aforementioned currently undeveloped acres might occur.

FUTURE DEVELOPMENT

As is described above under the caption “DEVELOPMENT AND HOME CONSTRUCTION,” approximately 302.05 acres of the total of approximately 338.46 acres of land located within the District have been developed into 735 single- family residential lots, the development of which is complete. Alvin Independent School District owns approximately 37.6 acres located within the District which are not subject to taxation by the District. Terra Estates owns an undeveloped commercial reserve of approximately 1.18 acres located within the District. See “INVESTMENT CONSIDERATIONS - Factors Affecting Taxable Values and Tax Payments,” “DEVELOPERS” and “TAX DATA - Principal 2022 Taxpayers.” Since no party, including the Developers, is under any obligation to the District to undertake the development of any currently undeveloped portion of the District, the District can make no representation as to when, or whether, the undeveloped portions of the District might be developed. If any undeveloped portion of the District is eventually developed, additions to the water, wastewater and drainage systems required to service such undeveloped acreage may be financed by future issues of the District's bonds. The District's Engineer currently estimates that the $40,520,000 authorized bonds which are currently unissued are adequate to finance the construction of such facilities to provide service to all of the undeveloped portions of the District as described below under the caption “THE SYSTEM.” See “INVESTMENT CONSIDERATIONS - Future Debt.” In addition to the components of the System that the District has financed with the proceeds of the Prior Bonds, and the components of the System and the recreational facilities that the District is financing with proceeds of the Bonds (see “THE BONDS - Use and Distribution of Bond Proceeds” and “THE SYSTEM”), the District expects to finance the acquisition or construction of additional components of the System and recreational facilities with the proceeds of bonds, if any, to be issued by the District in the future

AERIAL PHOTOGRAPH OF THE DISTRICT
(taken May 2023)



PHOTOGRAPHS TAKEN WITHIN THE DISTRICT
(taken May 2023)

PHOTOGRAPHS TAKEN WITHIN THE DISTRICT
(taken May 2023)

DISTRICT DEBT

General

The following tables and calculations relate to the Bonds and the Outstanding Bonds. After issuance of the Bonds, the aggregate principal amount of the Outstanding Bonds, will be $23,860,000. The District is empowered to incur debt to be paid from revenues raised by taxation against all taxable property located within the District, and various other political subdivisions of government that overlap all or a portion of the District are empowered to incur debt to be paid from revenues raised or to be raised by taxation against all or a portion of the property within the District.

2022 Assessed Valuation	$	220,716,369	(a)
(As of January 1, 2022)			
See "TAX DATA" and "TAXING PROCEDURES"			
2023 Preliminary Valuation	$	259,693,089	(b)
(As of January 1, 2023)			
See "TAX DATA" and "TAXING PROCEDURES"			
Direct Debt:			
Outstanding Bonds	$	12,640,000	
The Bonds		11,220,000	
Total	$	23,860,000	(c)
Estimated Overlapping Debt	$	25,994,787	
Total Direct and Estimated Overlapping Debt	$	49,854,787	
Direct Debt Ratio			
: as a percentage of 2022 Assessed Valuation		10.81	%
: as a percentage of 2023 Preliminary Valuation		9.19	%
Direct and Overlapping Debt Ratio			
: as a percentage of 2022 Assessed Valuation		22.59	%
: as a percentage of 2023 Preliminary Valuation		19.20	%
Debt Service Fund Balance as of May 10, 2023	$	2,442,837	(d)
General Fund Balance as of May 10, 2023	$	812,402	
2022 Tax Rate per $100 of Assessed Valuation			
Debt Service Tax	$	0.62	
Maintenance Tax		0.12	
Total	$	0.74	(e)
Average Percentage of Total Tax Collections (2012-2021) as of May 31, 2023		99.96	%
Percentage of Tax Collections of 2022 Levy as of May 31, 2023 (In process of collection)		99.33	%

(a) As of January 1, 2022, and comprises the District's 2022 tax roll. All property located in the District is valued on the tax rolls by the Brazoria County Appraisal District (the "Appraisal District") at 100% of assessed value as of January 1 of each year. The District's tax roll is certified by the Brazoria County Appraisal Review Board (the "Appraisal Review Board"). See "INVESTMENT CONSIDERATIONS - Factors Affecting Taxable Values and Tax Payments" and "TAXING PROCEDURES."

(b) This amount is the sum of the preliminary values of all taxable property located within the District as of January 1, 2023, as reflected on the District's preliminary 2023 tax roll supplied to the District by the Appraisal District, and includes the preliminary 2023 values resulting from the construction of taxable improvements from January 1, 2022, through December 31, 2022. When the Appraisal District supplies a taxing entity with a preliminary tax roll, such preliminary tax roll does not include personal property values. Therefore, this amount includes the 2022 taxable value of personal property located within the District. The taxable value of personal property on the District's 2022 tax roll was $6,360,700. The District's ultimate 2023 Assessed Valuation may vary significantly from such preliminary tax roll once the Appraisal Review Board certifies the value thereof for 2023. See "INVESTMENT CONSIDERATIONS - Factors Affecting Taxable Values and Tax Payments" and "TAXING PROCEDURES."

(c) In addition to the components of the System that the District has financed with the proceeds of the Prior Bonds, and the components of the System and the recreational facilities that the District is financing with proceeds of the Bonds, the District expects to finance the acquisition or construction of additional components of the System and recreational facilities with the proceeds of bonds, if any, to be issued by the District in the future. See "THE BONDS - Issuance of Additional Debt" and - "Use and Distribution of Bond Proceeds," "FUTURE DEVELOPMENT," "THE SYSTEM" and "INVESTMENT CONSIDERATIONS - Future Debt."

(d) Neither Texas law nor the Bond Resolution requires the District to maintain any particular sum in the Debt Service Fund. Such fund balance reflects the timely payment by the District of the debt service requirements on the Outstanding Bonds that were due for on March 1, 2023. The District's remaining debt service payments for 2023, which are due on September 1, 2023, total $592,222. The District's initial debt service payment on the Bonds is due on March 1, 2024, and consists of an interest payment thereon.

(e) The District levied a debt service tax in the amount of $0.62 per $100 of Assessed Valuation for 2022, plus a maintenance tax of $0.12 per $100 of Assessed Valuation. The District lies wholly within the municipal boundaries of the City of Manvel (the "City"),and all land within the district is subject to taxation by the City. As is described in this Official Statement under the caption "TAX DATA - Estimated Overlapping Taxes," the aggregate of the 2022 tax levies of all units of government which levy taxes against the property located within the District, plus the 2022 tax of the District is $3.440696 per $100 of Assessed Valuation. Such aggregate levy is higher than the aggregate of the tax levies of many municipal utility districts located in the greater Houston metropolitan area, but is within the range of the aggregate tax levies of many municipal utility districts in the Houston metropolitan area which are in stages of development comparable with the District. See "INVESTMENT CONSIDERATIONS - Factors Affecting Taxable Values and Tax Payments."

Estimated Direct and Overlapping Debt Statement

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

Taxing Jurisdiction	Debt as of June 1, 2023	Estimated Overlapping Percent	Estimated Overlapping Amount
Brazoria County	$207,948,313	0.5177%	$1,076,622
City of Manvel	52,515,000	15.0310%	7,893,552
Alvin Community College District	21,940,000	1.3327%	292,385
Alvin Independent School District	940,120,000	1.7798%	16,732,228
Total Estimated Overlapping Debt			$25,994,787
The District (the Bonds and the Outstanding Bonds)			$23,860,000
Total Direct & Estimated Overlapping Debt			$49,854,787

Debt Ratios

	% of 2022 Assessed Valuation	% of 2023 Preliminary Valuation
Direct Debt	10.81%	9.19%
Direct and Estimated Overlapping Debt	22.59%	19.20%

Under Texas law, ad valorem taxes levied by each taxing authority other than the District create a lien that is on a parity with the lien in favor of the District on all taxable property within the District. In addition to the ad valorem taxes required to retire the foregoing direct and overlapping debt, the various taxing authorities mentioned above are also authorized by Texas law to assess, levy, and collect ad valorem taxes for operation, maintenance, administration, and/or general revenue purposes. Certain of the jurisdictions have in the past levied such taxes. The District has the power to assess, levy, and collect ad valorem taxes for operations and maintenance purposes, and such taxes have been authorized by the duly qualified voters of the District. The District has levied a maintenance tax of $0.12 per $100 of Assessed Valuation in 2022. See "TAX DATA - Maintenance Tax."

Debt Service Requirement Schedule

The following schedule sets forth the debt service requirements for the Outstanding Bonds plus the principal and interest requirements of the Bonds.

		Series 2023 Bonds		Series 2023A Park Bonds		
Year Ending December 31	Current Total Debt Service	Principal (Due 9/1)	Interest	Principal (Due 9/1)	Interest	Total New Debt Service Requirements
2023	$799,444					$799,444
2024	801,694		$411,472		$87,081	1,300,247
2025	808,444	$245,000	393,963	$50,000	83,375	1,580,782
2026	814,544	255,000	379,263	50,000	80,125	1,578,932
2027	822,559	255,000	364,600	55,000	77,125	1,574,284
2028	830,019	265,000	351,850	55,000	73,825	1,575,694
2029	840,031	275,000	338,600	55,000*	70,525	1,579,156
2030	844,294	285,000	327,600	60,000*	68,325	1,585,219
2031	852,719	295,000	316,200	60,000*	65,925	1,589,844
2032	855,325	305,000	304,400	65,000*	63,525	1,593,250
2033	866,863	310,000	292,200	70,000*	60,925	1,599,988
2034	872,438	325,000	279,800	70,000*	58,125	1,605,363
2035	881,950	335,000*	266,800	70,000*	55,325	1,609,075
2036	885,488	350,000*	253,400	75,000*	52,525	1,616,413
2037	897,688	360,000	239,400	75,000*	49,525	1,621,613
2038	908,081	375,000	225,000	75,000*	46,525	1,629,606
2039	912,269	390,000	210,000	80,000*	43,525	1,635,794
2040	920,400	405,000	194,400	85,000*	40,325	1,645,125
2041	932,325	420,000	178,200	85,000*	36,925	1,652,450
2042	937,863	435,000	161,400	90,000*	33,419	1,657,682
2043	281,875	1,005,000	143,456	205,000	29,706	1,665,037
2044	283,594	1,055,000	102,000	220,000	21,250	1,681,844
2045		1,345,000	57,163	280,000	11,900	1,694,063
	$17,849,907	$9,290,000	$5,791,167	$1,930,000	$1,209,831	$36,070,905

Average Annual Requirements: (2025-2045).. $1,617,677
Maximum Annual Requirement: (2045)... $1,694,063

* Represents mandatory sinking fund payments on Term Bonds.

TAX DATA

Debt Service Tax

All taxable property within the District is subject to the assessment, levy and collection by the District of an annual ad valorem tax, without legal limitation as to rate or amount, sufficient to pay principal of and interest on the Outstanding Bonds and the Bonds (see "TAXING PROCEDURES"). The Board of Directors of the District has in its Bond Resolution covenanted to assess and levy for each year that all or any part of the Bonds remain outstanding and unpaid a tax ample and sufficient to produce funds to pay the principal of and interest on the Bonds (see "THE BONDS" and "INVESTMENT CONSIDERATIONS"). The District has levied a debt service tax for 2022 at a rate of $0.62 per $100 of Assessed Valuation. See - "Tax Rate Distribution" below.

Maintenance Tax

The Board of Directors of the District has the statutory authority to levy and collect an annual ad valorem tax for maintenance of the District's improvements, if such maintenance tax is authorized by a vote of the District's electorate. On November 6, 2012, the District voters authorized the levy of such a maintenance tax in an amount not to exceed $1.50 per $100 of Assessed Valuation. Such tax is levied in addition to taxes which the District is authorized to levy for paying principal of and interest on the Outstanding Bonds, the Bonds and any parity bonds which may be issued in the future. The District has levied a maintenance tax of $0.12 per $100 of Assessed Valuation for 2022. See "Tax Rate Distribution" below.

Tax Rate Limitation

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

Historical Values and Tax Collection History

				Cumulative % Collections	
Tax Year	Assessed Valuation	Tax Rate(a)	Total Levy	Current & Prior Years(b)	Year Ended 9/30
2012	$1,360,808	$0.91	$12,383	100.00%	2013
2013	4,174,778	0.91	37,990	100.00	2014
2014	15,241,536	0.91	138,782	100.00	2015
2015	33,685,154	0.91	306,614	100.00	2016
2016	52,148,954	0.91	474,677	100.00	2017
2017	74,744,183	0.91	680,313	100.00	2018
2018	92,970,701	0.91	846,175	100.00	2019
2019	117,915,742	0.91	1,073,033	99.94	2020
2020	152,820,082	0.86	1,314,253	99.80	2021
2021	176,802,495	0.81	1,432,100	98.86	2022
2022	220,716,369	0.74	1,633,301	99.33(c)	2023

(a) Per $100 of Assessed Valuation.
(b) Such percentages reflect cumulative total collections for each year from the time each respective annual tax was levied through May 31, 2023. The amount of tax collected for each levy on a current basis (by September 30 of the year following each respective annual levy) is not reflected in this statement.
(c) As of May 31, 2023. In process of collection.

Tax Rate Distribution

	2022	2021	2020	2019	2018
Debt Service	$0.62	$0.59	$0.65	$0.65	$0.65
Maintenance	0.12	0.22	0.21	0.26	0.26
Total	$0.74	$0.81	$0.86	$0.91	$0.91

Analysis of Tax Base

The following table illustrates the composition of property located within the District during the past five years.

	2022 Assessed Value	%	2021 Assessed Value	%	2020 Assessed Value	%
Type of Property						
Land	$31,220,663	14.15%	$27,751,700	15.70%	$27,566,420	18.04%
Improvements	209,203,488	94.78%	156,066,172	88.27%	128,359,478	83.99%
Personal Property	6,360,700	2.88%	5,909,910	3.34%	5,543,580	3.63%
Exemptions	(26,068,482)	-11.81%	(12,925,287)	-7.31%	(8,649,396)	-5.66%
Total	$220,716,369	100.00%	$176,802,495	100.00%	$152,820,082	100.00%

	2019 Assessed Value	%	2018 Assessed Value	%
Type of Property				
Land	$17,265,530	14.64%	$17,692,885	19.03%
Improvements	102,194,255	86.67%	78,248,080	84.16%
Personal Property	4,695,280	3.97%	1,740,270	1.87%
Exemptions	(6,229,323)	-5.28%	(4,710,534)	-5.07%
Total	$117,915,742	100.00%	$92,970,701	100.00%

Principal 2022 Taxpayers

Based upon information supplied by the District's Tax Assessor/Collector, the following table lists principal District taxpayers, type of property owned by such taxpayers, and the Assessed Valuation of such property as of January 1, 2022. The information reflects the composition of the Appraisal District's record of property ownership as of January 1, 2022.

Property Owner	Property Description	2022 Taxable Value	% of 2022 Tax Roll
Seaway Crude Pipeline, L.P.	Personal Property - Pipeline	$4,347,410	1.97%
Brightland Homes, Ltd.	Land and Improvements	728,640	0.33%
Centerpoint Energy LLC	Personal Property	620,000	0.28%
Homeowner	Land and Improvements	516,020	0.23%
Homeowner	Land and Improvements	495,420	0.22%
Homeowner	Land and Improvements	489,930	0.22%
Homeowner	Land and Improvements	464,350	0.21%
Homeowner	Land and Improvements	447,820	0.20%
Homeowner	Land and Improvements	445,335	0.20%
Homeowner	Land and Improvements	442,882	0.20%
Total		$8,997,807	4.08%

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 2022 Assessed Valuation or the 2023 Preliminary Valuation. The calculations assume collection of 95% of taxes levied, no use of funds on hand, and the sale of no bonds by the District other than the Outstanding Bonds and the Bonds.

Average Annual Debt Service Requirements (2025-2045)	$1,617,677
Tax Rate of $0.78 on the 2022 Assessed Valuation ($220,716,369) produces	$1,635,508
Tax Rate of $0.66 on the 2023 Preliminary Valuation ($259,693,089) produces	$1,628,276
Maximum Annual Debt Service Requirement (2045)	$1,694,063
Tax Rate of $0.81 on the 2022 Assessed Valuation ($220,716,369) produces	$1,698,412
Tax Rate of $0.69 on the 2023 Preliminary Valuation ($259,693,089) produces	$1,702,288

The District levied a debt service tax of $0.62 per $100 of Assessed Valuation for 2022, plus a maintenance tax of $0.12 per $100 of Assessed Valuation. As the above table indicates, the 2022 debt service rate is not sufficient to pay debt service on the Bonds and the Outstanding Bonds, assuming taxable values in the District at the level of the 2022 Assessed Valuation or the 2023 Preliminary Valuation, assuming a tax collection rate of 95%, no use of funds on hand, and the issuance of no additional bonds by the District. However, the District's Debt Service Fund balance was $2,442,837 as of May 10, 2023. Although neither Texas law nor the Bond Resolution requires that any specific amount be retained in the Debt Service Fund at any time, the District expects to apply earnings from the investment of monies held in the Debt Service Fund to meet the debt service requirements of the Bonds and the Outstanding Bonds. The District has in the past applied earnings from the investment of monies held in the Debt Service Fund to meet the debt service requirements of the Prior Bonds as is delineated in "APPENDIX B - FINANCIAL REPORT" that is appended to this Official Statement. Moreover, as is illustrated above under the caption "Historical Values and Tax Collection History," as of May 31, 2023, the District had collected an average annual percentage of its property taxes of 99.96% for the period 2012 through 2021, and its 2022 tax levy, which was in the process of collection, was 99.33% collected as of such date. The District anticipates that, given these factors, it will be able to meet its debt service requirements on the Bonds and the Outstanding Bonds without increasing the District's debt service tax rate above the rate which it has levied for 2022 - $0.62 per $100 of Assessed Valuation. However, the District can make no representation that the taxable property values in the District will maintain a value sufficient to support the aforementioned tax rate or to justify continued payment of taxes by property owners.

Estimated Overlapping Taxes

Property located within the District is subject to taxation by several taxing authorities in addition to the District. Set forth below is a compilation of all 2022 taxes levied upon property located within the District and the District's 2022 tax rate. Under Texas law, ad valorem taxes levied by each taxing authority other than the District entitled to levy taxes against property located within the District create a lien which is on a parity with the tax lien of the District. In addition to the ad valorem taxes required to make the debt service payments on bonded indebtedness of the District and of such other jurisdictions (see "DISTRICT DEBT - Estimated Direct and Overlapping Debt Statement"), certain taxing jurisdictions are authorized by Texas law to assess, levy and collect ad valorem taxes for operation, maintenance, administrative and/or general revenue purposes.

Taxing Jurisdiction	2022 Tax Rate/$100
Brazoria County	$0.341106
City of Manvel	0.570000
Alvin Independent School District	1.377700
Alvin Community College District	0.164145
Brazoria County Conservation & Reclamation District #3	0.150000
Brazoria County Emergency Services District #3	0.097745
The District *	0.740000
TOTAL TAX RATE	$3.440696

* The District has levied a total tax of $0.74 per $100 of Assessed Valuation for 2022, consisting of a debt service tax of $0.62 per $100 of Assessed Valuation and a maintenance tax of $0.12 per $100 of Assessed Valuation.

TAXING PROCEDURES

Authority to Levy Taxes

The Board is authorized to levy an annual ad valorem tax, without legal limitation as to rate or amount, on all taxable property within the District in an amount sufficient to pay the principal of and interest on the Bonds, the Outstanding Bonds and any additional bonds payable from taxes which the District may hereafter issue (see "INVESTMENT CONSIDERATIONS - Future Debt") and to pay the expenses of assessing and collecting such taxes. The District agrees in the Bond Resolution to levy such a tax from year to year as described more fully above under "THE BONDS - Source of Payment." Under Texas law, the Board may also levy and collect annual ad valorem taxes for the operation and maintenance of the District and the System and for the payment of certain contractual obligations. See "TAX DATA - Maintenance Tax" and - "Tax Rate Distribution."

Property Tax Code and County-Wide Appraisal District

Title 1 of the Texas Tax Code (the "Property Tax Code") specifies the taxing procedures of all political subdivisions of the State of Texas, including the District. Provisions of the Property Tax Code are complex and are not fully summarized here.

The Property Tax Code requires, among other matters, county-wide appraisal and equalization of taxable property values and establishes in each county of the State of Texas an appraisal district with the responsibility for recording and appraising property for all taxing units within a county and an appraisal review board with the responsibility for reviewing and equalizing the values established by the appraisal district. The Brazoria County Appraisal District (the "Appraisal District") has the responsibility of appraising property for all taxing units within Brazoria County, including the District.

Such appraisal values will be subject to review and change by the Brazoria County Appraisal Review Board (the "Appraisal Review Board").

The Property Tax Code provides that the governing body of a taxing unit located within an area declared to be a disaster area by the governor of the State of Texas may authorize reappraisal of all property damaged in the disaster at its market value immediately after the disaster. For reappraised property, the taxes are pro rated for the year in which the disaster occurred. The taxing unit assesses taxes prior to the date the disaster occurred based upon market value as of January 1 of that year. Beginning on the date of the disaster and for the remainder of the year, the taxing unit assesses taxes on the reappraised market value of the property.

Property Subject to Taxation by the District

Except for certain exemptions provided by Texas law, all real property, tangible personal property held or used for the production of income, mobile homes and certain categories of intangible personal property with a tax situs in the District are subject to taxation by the District. Principal categories of exempt property include, but are not limited to: property owned by the State of Texas or its political subdivisions if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies and personal effects; certain goods, wares, and merchandise in transit; farm products owned by the producer; certain property of charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; and most individually-owned automobiles. In addition, the District may by its own action exempt residential homesteads of persons 65 years or older and certain disabled persons to the extent deemed advisable by the Board. The District may be required to offer such an exemption if a majority of voters approve it at an election. The District would be required to call such an election upon petition by twenty percent (20%) of the number of qualified voters who voted in the preceding election. The District is authorized by statute to disregard exemptions for the disabled and elderly if granting the exemption would impair the District's obligation to pay tax supported debt incurred prior to adoption of the exemption by the District. For the 2022 tax year, the District has rejected all exemptions. Furthermore, the District must grant exemptions to disabled veterans, or certain surviving dependents of disabled veterans, if requested, but only to the maximum extent of between $5,000 and $12,000 of taxable valuation depending on the disability rating of the veteran. A veteran who receives a disability rating of 100%, and, under certain circumstances, the surviving spouse of such veteran, is entitled to the exemption for the full amount of the residential homestead. 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, 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 was killed or fatally injured in the line of duty is, subject to certain conditions, also 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 to be transferred to a subsequent residence homestead of the surviving spouse.

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

Freeport Goods Exemption: A "Freeport Exemption" applies to goods, wares, ores, and merchandise other than oil, gas, and petroleum products (defined as liquid and gaseous materials immediately derived from refining petroleum or natural gas), and to aircraft or repair parts used by a certified air carrier acquired in or imported into Texas which are destined to be forwarded outside of Texas and which are detained in Texas for assembling, storing, manufacturing, processing or fabricating for less than 175 days. Although certain taxing units may take official action to tax such property in transit and negate such exemption, the District does not have such an option. A "Goods-in-Transit" Exemption is applicable to the same categories of tangible personal property which are covered by the

Freeport Exemption, if, for tax year 2011 and prior applicable years, such property is acquired in or imported into Texas for assembling, storing, manufacturing, processing, or fabricating purposes and is subsequently forwarded to another location inside or outside of Texas not later than 175 days after acquisition or importation, and the location where said property is detained during that period is not directly or indirectly owned or under the control of the property owner. For tax year 2012 and subsequent years, such Goods-in-Transit Exemption includes tangible personal property acquired in or imported into Texas for storage purposes only if such property is stored under a contract of bailment by a public warehouse operator at one or more public warehouse facilities in Texas that are not in any way owned or controlled by the owner of such property for the account of the person who acquired or imported such property. A property owner who receives the Goods-in-Transit Exemption is not eligible to receive the Freeport Exemption for the same property. Local taxing units such as the District may, by official action and after public hearing, tax goods-in-transit personal property. A taxing unit must exercise its option to tax goods-in-transit property before January 1 of the first tax year in which it proposes to tax the property at the time and in the manner prescribed by applicable law. The District has taken official action to allow taxation of all such goods-in-transit personal for all prior and subsequent years.

Tax Abatement

The City or Brazoria County may designate all or part of the District as a reinvestment zone, and the District, Brazoria County, and the City, at the option and discretion of each entity, may thereafter enter into tax abatement agreements with the owners of property within the zone. Prior to entering into a tax abatement agreement, each entity must adopt guidelines and criteria for establishing tax abatement, which each entity will follow in granting tax abatements to owners of property. The tax abatement agreements may exempt from ad valorem tax, by the applicable taxing jurisdictions, including the District, for a period of up to ten 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. According to the District's Tax Assessor/Collector, to date, none of the area within the District has been designated as a reinvestment zone. Each taxing jurisdiction has discretion to determine terms for its tax abatement agreements without regard to the terms approved by the other taxing jurisdictions.

Valuation of Property for Taxation

Generally, property in the District must be appraised by the Appraisal District at market value as of January 1 of each year. Once an appraisal roll is prepared and finally approved by the Appraisal Review Boards, it is used by the District in establishing its tax rolls and tax rate. Assessments under the Property Tax Code are to be based on one hundred percent (100%) of market value, as such is defined in the Property Tax Code. In determining market value, either the replacement cost or the income or the market data method of valuation may be used, whichever is appropriate. Nevertheless, certain land may be appraised at less than market value under the Property Tax Code. Increases in the appraised value of residence homesteads are limited by the Texas Constitution to 10 percent annually regardless of the market value of the property.

The Property Tax Code permits land designated for agricultural use, open space or timberland to be appraised at its value based on the land's capacity to produce agricultural or timber products rather than at its market value. The Property Tax Code permits under certain circumstances that residential real property inventory held by a person in the trade or business be valued at the price all of such property would bring if sold as a unit to a purchaser who would continue the business. Provisions of the Property Tax Code are complex and are not fully summarized here. Landowners wishing to avail themselves of the agricultural use, open space or timberland designation or residential real property inventory designation must apply for the designation and the appraiser is required by the Property Tax Code to act on each claimant's right to the designation individually. A claimant may waive the special valuation as to taxation by some political subdivisions while claiming it for another. If a claimant receives the agricultural use designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use, including taxes for the previous three (3) years for agricultural use, open space land and timberland.

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

Appraisal District a current estimate of appraised values within the District or an estimate of any new property or improvements within the District. While such current estimate of appraised values may serve to indicate the rate and extent of growth of taxable values within the District, it cannot be used for establishing a tax rate within the District until such time as the Appraisal District chooses to formally include such values on its appraisal roll.

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

District and Taxpayer Remedies

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

The Property Tax Code also establishes a procedure for notice to property owners of reappraisals reflecting increased property values, appraisals that are higher than renditions and appraisals of property not previously on an appraisal roll.

Levy and Collection of Taxes

The District is responsible for the levy and collection of its taxes unless it elects to transfer such functions to another governmental entity. The rate of taxation is set by the Board of Directors, after the legally required notice has been given to owners of property within the District, based upon: a) the valuation of property within the District as of the preceding January 1, and b) the amount required to be raised for debt service, maintenance purposes, and authorized contractual obligations. Taxes are due October 1, or when billed, whichever comes later, and become delinquent if not paid before February 1 of the year following the year in which imposed. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%) regardless of the number of months the tax has been delinquent and incurs an additional penalty for collection costs of an amount established by the District and a delinquent tax attorney. A delinquent tax on personal property incurs an additional penalty, in an amount established by the District and a delinquent tax attorney, 60 days after the date the taxes become delinquent. The delinquent tax accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code makes provisions for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes under certain circumstances which, at the option of the District, which may be rejected by taxing units. The District's tax collector is required to enter into an installment payment agreement with any person who is delinquent on the payment of tax on a residence homestead for payment of tax, penalties and interest, if the person requests an installment agreement and has not entered into an installment agreement with the collector in the preceding 24 months. The installment agreement must provide for payments to be made in monthly installments and must extend for a period of at least 12 months and no more than 36 months. Additionally, the owner of a residential homestead property who is (i) 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 continue to accrue during the period of deferral.

Tax Payment Installments After Disaster

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

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

Rollback of Operation and Maintenance Tax Rate

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

Special Taxing Units

Special Taxing Units that adopt a total tax rate that would impose more than 1.08 times the amount of the total tax imposed by such district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead, 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 operation and maintenance tax threshold applicable to Special Taxing Units.

Developing Districts

Districts that do not meet the classification of a Special Taxing Unit or a Developed District can be classified as Developing Districts. The qualified voters of these districts, upon the Developing District's adoption of a total tax rate that would impose more than 1.08 times the amount of the total tax 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 operation and maintenance tax rate.

A determination as to a district's status as a Special Taxing Unit, Developed District or Developing District will be made by the Board of Directors on an annual basis. The 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. For the 2022 tax rate year, a determination has been made by the District's Board of Directors that the District is a Developing District.

Additional Penalties

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

District's Rights in the Event of Tax Delinquencies

Taxes levied by the District are a personal obligation of the owner of the property as of January 1 of the year for which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties and interest ultimately imposed for the year on the property. The lien exists in favor of each local 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 applicable federal law. Personal property, under certain circumstances, is subject to seizure and sale for the payment of delinquent taxes, penalty and interest.

At any time after taxes on property become delinquent, the District may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the District must join other taxing units that have claims for delinquent taxes against all or part of the same property. Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, by taxpayer redemption rights (a taxpayer may redeem property within six (6) months for commercial property and two (2) years for residential and all other types of property after the purchaser's deed issued at the foreclosure sale is filed in the county records) or by bankruptcy proceedings which restrict the collection of taxpayer debts. The District's ability to foreclose its tax lien or collect penalties or interest on delinquent taxes may be limited on property owned by a financial institution which is under receivership by the Federal Deposit Insurance Corporation pursuant to the Federal Deposit Insurance Act, 12 U.S.C. 1825, as amended. See "INVESTMENT CONSIDERATIONS -Tax Collection Limitations."

THE SYSTEM

Regulation

According to the District's Engineer, the System has 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, the City and Brazoria County Conservation and Reclamation District No. 3.

The District is located wholly within the corporate limits of the City of Manvel and obtains water, sewer and drainage service from the City. The City and the District entered into a Utility Agreement (see "THE DISTRICT - Utility Agreement") to provide a water distribution system, sanitary sewer collection system and a drainage system (the "System") to serve the District. In consideration of the District's constructing the System on behalf of the City, the City agreed, pursuant to the terms and conditions of the Agreement, to own and operate the System (other than detention facilities, which are owned and operated by the District).

As construction of each phase of the System is certified to be complete in accordance with the final plans and specifications approved by the City, the District is to transfer such portion of the System (other than detention facilities, which are owned and operated by the District) with construction drawings thereof to the City reserving a security interest therein until the bonds issued to acquire and construct the System have been retired. Upon transfer, the City has agreed to operate and maintain the System (other than detention facilities, which are owned and operated by the District) at its expense.

The total number of equivalent single-family connections ("ESFCs") estimated at this time for the District upon the full development of its approximately 338.46 acres is approximately 735, with a total estimated population of 2,205 people. The following descriptions are based upon information supplied by the District's Engineer.

Description

The System presently serves the 735 fully developed single-family residential lots located the District that are enumerated in this Official Statement under the caption "DEVELOPMENT AND HOME CONSTRUCTION." The District will finance components of the System, and other items with the proceeds of the sale of the Bonds as is enumerated in this Official Statement under the caption "THE BONDS - Use and Distribution of Bond Proceeds." In addition to the components of the System that the District has financed with the proceeds of the Prior Bonds, and the components of the System and the recreational facilities that the District is financing with proceeds of the Bonds, the District expects to finance the acquisition or construction of additional components of the System and recreational facilities with the proceeds of bonds, if any, to be issued by the District in the future.

Water Supply

The Utility Agreement requires the City to provide the District with potable water. According to the District's Engineer, the City's facilities provide adequate water supply capacity to provide service to all connections in the District developed with the proceeds of the sale of the Prior Bonds and the Bonds, plus all connections in the District expected to be developed in the future to complete the development of the District, although the District must rely on the City's obligations to supply the District with water under the terms of the Utility Agreement.

Wastewater Treatment

Pursuant to the Utility Agreement, the City is required to receive and treat all wastewater from the District. According to the District's Engineer, the City's facilities provide adequate wastewater treatment capacity to provide service to all connections in the District developed with the proceeds of the sale of the Prior Bonds and the Bonds, plus all connections in the District expected to be developed in the future to complete the development of the District, although the District must rely on the City's obligations to treat the District's wastewater under the terms of the Utility Agreement.

Drainage Improvements

Storm drainage for the District is provided by an internal drainage network of underground storm drainage lines that outfall into detention ponds that ultimately drain into the C-12 drainage channel and then to Chocolate Bayou and into the C-1 drainage channel and then to New Bayou.

100-Year Flood Plain

The FEMA Flood Hazard Boundary Maps currently in effect, which cover the land located in the District, indicate that none of the land within the District is located within the current 100-year flood plain as shown on the Flood Insurance Rate Maps for Brazoria County, Texas, and Incorporated Areas No. 48039CO130H dated June 5, 1989.

"Flood Insurance Rate Map" or "FIRM" means an official map of a community on which the Federal Emergency Management Agency (FEMA) has delineated the appropriate areas of flood hazards. The 1% chance of probable inundation, also known as the 100-year flood plain, is depicted on these maps. The "100 year flood plain" (or 1% chance of probable inundation) as shown on the FIRM is the estimated geographical area that would be flooded by a rain storm of such intensity to statistically have a one percent chance of occurring in any given year. Generally speaking, homes must be built above the 100 year flood plain in order to meet local regulatory requirements and to be eligible for federal flood insurance. An engineering or regulatory determination that an area is above the 100 year flood plain is not an assurance that homes built in such area will not be flooded, and a number of neighborhoods in the greater Houston area that are above the 100-year flood plain have flooded multiple times in the last several years. If substantial or frequent flooding of homes were to occur in the area of the District, the marketing of homes and the future growth of property values in the District could be adversely affected. See "INVESTMENT CONSIDERATIONS - Tropical Weather Events."

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

INVESTMENT CONSIDERATIONS

General

The Bonds, which are obligations solely of the District and not of the State of Texas, Brazoria County, Texas, the City of Manvel, Texas, or any political subdivision or agency other than the District, are secured by the proceeds an annual ad valorem tax, without legal limit as to rate or amount, levied upon all taxable property within the District. The ultimate security for payment of the principal of and interest on the Bonds depends upon the District's ability to collect from the property owners within the District taxes levied against all taxable property located within the District, or, in the event taxes are not collected and foreclosure proceedings are instituted by the District, upon the value of the taxable property with respect to taxes levied by the District and by other taxing authorities. The District makes no representation that over the life of the Bonds the taxable property within the District will maintain a value sufficient to justify continued payment of taxes by property owners or that there will be a market for any property if the District forecloses on property to enforce its tax lien. The potential increase in taxable valuation of District property is directly related to the economics of the residential housing industry, not only due to general economic conditions, but also due to the particular factors discussed below. Further, the collection of delinquent taxes owed the District, and the enforcement by a Registered Owner of the District's obligation to collect sufficient taxes may be costly and lengthy processes. See "THE BONDS - Source of Payment" and - "Registered Owners' Remedies," and "Tax Collection Limitations" and "Registered Owners' Remedies and Bankruptcy" below.

Factors Affecting Taxable Values and Tax Payments

Economic Factors: A substantial percentage of the assessed valuation of the property located within the District is attributable to the current market value of single-family residences that have been constructed within the District. The market value of such homes is related to general economic conditions affecting the demand for residences. Demand for residences of this type can be significantly affected by factors such as interest rates, credit availability, construction costs, energy costs and availability and the prosperity and demographic characteristics of the urban center toward which the marketing of homes and commercial enterprises is directed. Recent changes in federal tax law limiting deductions for ad valorem taxes may adversely affect the demand for housing and the prices thereof. Fluctuations in the price of oil could adversely affect job stability, wages and salaries, thereby negatively affecting the demand for housing as well as the value of existing homes (see "Potential Effects of Oil Price Volatility on the Houston Area" below). Although development of the District has occurred to date as described in this Official Statement under the captions "DEVELOPMENT AND HOME CONSTRUCTION," the District cannot predict the pace or magnitude of any future development in the District other than that which has occurred to date. See "FUTURE DEVELOPMENT."

National Economy: The housing and building industry has historically been a cyclical industry, affected by both short-term and long-term interest rates, availability of mortgage and development funds, employment levels and general economic conditions. Although development of the District has occurred as described in this Official Statement under the captions "DEVELOPMENT AND HOME CONSTRUCTION" the District cannot predict the pace or magnitude of any future development in the District other than that which has occurred to date. See "FUTURE DEVELOPMENT." The District cannot predict what impact, if any, a downturn in the local housing markets or in the national housing and financial markets may have on the Houston market generally and the District specifically.

Credit Markets and Liquidity in the Financial Markets: Interest rates and the availability of mortgages and development funding have a direct impact on development and homebuilding activity, particularly short-term interest rates at which developers are able to obtain financing for development costs and at which homebuilders are able to finance the construction of new homes for sale. Interest rate levels may affect the ability of a developer with undeveloped property to undertake and complete development activities within the District and of homebuilders to initiate the construction of new homes for sale. Because of the numerous and changing factors affecting the availability of funds, particularly liquidity in the national credit markets, the District is unable to assess the future availability of such funds for continued development and/or home construction within the District. In addition, since the District is located approximately 18 miles from the central downtown business district of the City of Houston, the success of development within the District and growth of District taxable property values are, to a great extent, a function of the Houston metropolitan and regional economies and national credit and financial markets. A downturn in the economic conditions of Houston and further decline in real estate and financial markets in the United States could adversely affect development and homebuilding plans in the District and restrain the growth of the District's property tax base.

Maximum Impact on District Tax Rates

The value of the land and improvements currently located within the District will be a major determinant of the ability of the District to collect, and the willingness of District property owners to pay, ad valorem taxes levied by the District. The District's 2022 Assessed Valuation is $220,716,369. After issuance of the Bonds, the Maximum Annual Debt Service Requirement on the Bonds and the Outstanding Bonds will be $1,694,063 (2045) and the Average Annual Debt Service Requirements will be $1,617,677 (2025 through 2045, inclusive). Assuming no increase to nor decrease from the 2022 Assessed Valuation, no use of funds on hand, and the issuance of no additional bonds by the District, tax rates of $0.81 and $0.78 per $100 of Assessed Valuation at a 95% tax collection rate would be necessary to pay the Maximum Annual Debt Service Requirement and the Average Annual Debt Service Requirements, respectively. The District's 2023 Preliminary Valuation is $259,693,089. Assuming no increase to nor decrease from the 2023 Preliminary Valuation, no use of funds on hand, and the issuance of no additional bonds by the District, tax rates of $0.69 and $0.66 per $100 of Assessed Valuation at a 95% tax collection rate would be necessary to pay the Maximum Annual Debt Service Requirement and the Average Annual Debt Service Requirements, respectively.

The District levied a debt service tax of $0.62 per $100 of Assessed Valuation for 2022, plus a maintenance tax of $0.12 per $100 of Assessed Valuation. As is indicated above, the 2022 debt service rate is not sufficient to pay debt service on the Bonds and the Outstanding Bonds, assuming taxable values in the District at the level of the 2022 Assessed Valuation or the 2023 Preliminary Valuation, assuming a tax collection rate of 95%, no use of funds on hand, and the issuance of no additional bonds by the District. However, the District's Debt Service Fund balance was $2,442,837 as of May 10, 2023. Although neither Texas law nor the Bond Resolution requires that any specific amount be retained in the Debt Service Fund at any time, the District expects to apply earnings from the investment of monies held in the Debt Service Fund to meet the debt service requirements of the Bonds and the Outstanding Bonds. The District has in the past applied earnings from the investment of monies held in the Debt Service Fund to meet the debt service requirements of the Prior Bonds as is delineated in "APPENDIX B - FINANCIAL REPORT" that is appended to this Official Statement. Moreover, as is illustrated above under the caption "TAX DATA - Historical Values and Tax Collection History," as of May 31, 2023, the District had collected an average annual percentage of its property taxes of 99.96% for the period 2012 through 2021, and its 2022 tax levy, which was in the process of collection, was 99.33% collected as of such date. The District anticipates that, given these factors, it will be able to meet its debt service requirements on the Bonds and the Outstanding Bonds without increasing the District's debt service tax rate above the rate which it has levied for 2022 - $0.62 per $100 of Assessed Valuation. However, the District can make no representation that the taxable property values in the District will maintain a value sufficient to support the aforementioned tax rate or to justify continued payment of taxes by property owners. See "TAXING PROCEDURES." In addition to the components of the System that the District has financed with the proceeds of the Prior Bonds, and the components of the System and the recreational facilities that the District is financing with proceeds of the Bonds, the District expects to finance the acquisition or construction of additional components of the System and recreational facilities with the proceeds of bonds, if any, to be issued by the District in the future. See "THE BONDS - Authority for Issuance" and - "Issuance of Additional Debt," "DISTRICT DEBT - Debt Service Requirement Schedule," "THE SYSTEM" and "Future Debt" below.

As is enumerated in this Official Statement under the caption "TAX DATA - Estimated Overlapping Taxes," the aggregate of the tax levies of all overlapping taxing units which levy taxes upon property located in the District, plus the District's rate, is $3.440696 per $100 of Assessed Valuation. Such aggregate levies are higher than the aggregate tax levies of many municipal utility districts in the Houston metropolitan area, including the area of the District, but are within the range of the aggregate levies of many municipal utility districts in the Houston metropolitan area and the area of the District which are in stages of development comparable with the District.

Tax Collection Limitations

The District's ability to make debt service payments may be adversely affected by its inability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien in favor of the District on a parity with the liens of all other state and local taxing authorities on the property against which taxes are levied, and such lien may be enforced by foreclosure. The District's ability to collect ad valorem taxes through such foreclosure may be impaired by (i) cumbersome, time-consuming, and expensive collection procedures, (ii) a bankruptcy court's stay of tax collection procedures against a taxpayer, (iii) market conditions limiting the proceeds from a foreclosure sale of taxable property, or (iv) the taxpayer's right to redeem the property within two years of foreclosure. 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.

Registered Owners' Remedies and Bankruptcy

In the event of default in the payment of principal of or interest on the Bonds, the Registered Owners have a right to seek a writ of mandamus requiring the District to levy adequate taxes each year to make such payments. Except for mandamus, the Bond Resolution does not provide for remedies to protect and enforce the interests of the Registered Owners. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Statutory language authorizing local governments such as the District to sue and be sued does not waive the local government's sovereign immunity from suits for money damages, so that in the absence of other waivers of such immunity by the Texas legislature, a default by the District in its covenants in the bond Resolution may not be reduced to a judgement for money damages. Even if Registered Owners could obtain a judgment against the District, such a judgment could not be enforced by a direct levy and execution against the District's property. Further, the Registered Owners cannot themselves foreclose on property within the District or sell property within the District in order to pay the principal of and interest on the Bonds. Since there is no trust indenture or trustee, the Registered Owners would have to initiate and finance the legal process to enforce their remedies.

The enforceability of the rights and remedies of the Registered Owners 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. In this regard, should the District file a petition for protection from creditors under federal bankruptcy laws, a suit seeking the remedy of mandamus would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge. See "THE BONDS - Registered Owners' Remedies."

The District may not be placed into bankruptcy involuntarily.

Marketability

The District has no understanding (other than the initial reoffering yields) with the Underwriters 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 bid and asked spread of other bonds generally bought, sold, or traded in the secondary market. See "SALE AND DISTRIBUTION OF THE BONDS."

Future Debt

The District reserved in the Bond Resolution the right to issue the remaining $40,520,000 unlimited tax bonds authorized but unissued for waterworks, wastewater and drainage facilities and refunding of bonds issued for such purpose, the $4,570,000 for recreational facilities and refunding of bonds issued for such purpose, and such additional bonds as may hereafter be approved by the voters of the District. The District has also reserved the right to issue certain other additional bonds, special project bonds, and other obligations described in the Bond Resolution. All of the remaining $40,520,000 bonds described above for waterworks, wastewater and drainage facilities and $4,570,000 for recreational facilities which have heretofore been authorized by the voters of the District may be issued by the District from time to time as needed. The issuance of such $40,520,000 bonds for waterworks, wastewater and drainage facilities and $4,570,000 for recreational facilities is also subject to TCEQ authorization, unless for the issuance of bonds for recreational facilities, the District meets certain financial feasibility requirements under the TCEQ rules, in which case the outstanding principal amount of such bonds issued by the District may exceed an amount equal to one percent but not three percent of the value of the taxable property in the District. In addition to the components of the System that the District has financed with the proceeds of the Prior Bonds, and the components of the System and the recreational facilities that the District is financing with proceeds of the Bonds, the District expects to finance the acquisition or construction of additional components of the System and recreational facilities with the proceeds of bonds, if any, to be issued by the District in the future. If additional bonds are issued in the future and property values have not increased proportionately, such issuance might increase gross debt/property valuation ratios and thereby adversely affect the investment quality or security of the Bonds. See "THE BONDS - Authority for Issuance" and - "Issuance of Additional Debt," "DISTRICT DEBT - Debt Service Requirement Schedule," and "THE SYSTEM."

The District's Engineer currently estimates that the aforementioned $40,520,000 authorized bonds which remain unissued will be adequate to finance the construction of all waterworks, wastewater, and drainage facilities to all of the currently undeveloped portions of the District. See "Maximum Impact on District Tax Rates" above, "THE BONDS," "DEVELOPMENT AND HOME CONSTRUCTION," "FUTURE DEVELOPMENT," and "THE SYSTEM." If additional bonds are issued in the future and property values have not increased proportionately, such issuance might increase gross debt/property valuation ratios and thereby adversely affect the investment quality or security of the Bonds. See "THE BONDS - Issuance of Additional Debt."

Competitive Nature of Houston Residential Housing Market

The housing industry in the Houston metropolitan area, including the City of Manvel, is very competitive, and the District can give no assurance that the building programs which are planned by the any future home builder(s) will be continued or completed. The respective competitive positions of the Developers and any other developer(s) or home builder(s) which might attempt future development or home building projects in the District in the sale of developed lots or in the construction and sale of single-family residential units are affected by most of the factors discussed in this section. Such competitive positions are directly related to tax revenues received by the District and the growth and maintenance of taxable values in the District.

Continuing Compliance with Certain Covenants

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

Approval of the Bonds

The Attorney General of Texas must approve the legality of the Bonds prior to their delivery. The Attorney General of Texas does not pass upon or guarantee the security of the Bonds as an investment, or the adequacy or accuracy ofthe information contained in this Official Statement.

Environmental Regulations

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

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

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

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

While the EPA has revoked the 1997 Ozone Standards, the EPA historically has not formally redesignated nonattainment areas for a revoked standard. As a result, the HGB Area remained subject to continuing severe nonattainment area "anti-backsliding" requirements, despite the fact that HGB Area air quality has been attaining the 1997 Ozone Standards since 2014. In late 2015, the EPA approved the TCEQ's "redesignation substitute" for the HGB Area under the revoked 1997 Ozone Standards, leaving the HGB Area subject only to the nonattainment area requirements under the 2008 Ozone Standard (and later, the 2015 Ozone Standard).

In February 2018, the U.S. Court of Appeals for the District of Columbia Circuit issued an opinion in South Coast Air Quality Management District v. EPA, 882 F.3d 1138 (D.C. Cir. 2018) vacating the EPA redesignation substitute rule that provided the basis for the EPA's decision to eliminate the anti-backsliding requirements that had applied in the HGB Area under the 1997 Ozone Standard. The court has not responded to the EPA's April 2018 request for rehearing of the case. To address the uncertainty created by the South Coast court's ruling, the TCEQ developed a formal request that the HGB Area be redesignated to attainment under the 1997 Ozone Standards. The TCEQ Commissioners adopted the request and maintenance plan for the 1997 one-hour and eight-hour standards on December 12, 2018. On May 16, 2019, the EPA proposed a determination that the HGB Area has met the redesignation criteria and continues to attain the 1997 one-hour and eight-hour standards, the termination of the anti-backsliding obligations, and approval of the proposed maintenance plan.

The HGB Area is currently designated as a "serious" nonattainment area under the 2008 Ozone Standard, with an attainment deadline of July 20, 2021. 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 "marginal" nonattainment area under the 2015 Ozone Standard, with an attainment deadline of August 3, 2021. For purposes of the 2015 Ozone Standard, the HGB Area consists of only six counties: Brazoria, Chambers, Fort Bend, Galveston, Harris, and Montgomery Counties.

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

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

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

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

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), with an effective date of March 5, 2018, 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. It has a 5-year permit term, and is then subject to renewal. Moreover, the Clean Water Act ("CWA") and Texas Water Code require municipal wastewater treatment plants to meet secondary treatment effluent limitations and more stringent water quality-based limitations and requirements to comply with the Texas water quality standards. Any water quality-based limitations and requirements with which a municipal utility district must comply may have an impact on the municipal utility district's ability to obtain and maintain compliance with TPDES permits.

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

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

In 2015, the EPA and USACE promulgated a rule known as the Clean Water Rule ("CWR") aimed at redefining "waters of the United States" over which the EPA and USACE have jurisdiction under the CWA. The CWR significantly expanded the scope of the federal government's CWA jurisdiction over intrastate water bodies and wetlands. On September 12, 2019, the EPA and USACE finalized a rule repealing the CWR, thus reinstating the regulatory text that existed prior to the adoption of the CWR. This repeal officially became final on December 23, 2019, but the repeal itself became the subject of litigation in multiple jurisdictions.

On January 23, 2020, the EPA and USACE released the Navigable Waters Protection Rule ("NWPR"), which contained a new definition of "waters of the United States." The NWPR became effective June 22, 2020, and is the subject of ongoing litigation.

On June 9, 2021, the EPA and USACE announced plans to further revise the definition of "waters of the United States." On August 30, 2021, the United States District Court for the District of Arizona issued an order vacating the NWPR while the EPA and USACE made plans to replace it. On November 18, 2021, the EPA and USACE issued a Notice of Proposed Rulemaking to put back into place the pre-2015 definition of "waters of the United States," and on December 7, 2021, the proposed rule was published in the Federal Register, with the public comment period closing on February 7, 2022. On December 30, 2022, the EPA and USACE finalized the proposed rule, effective as of March 20, 2023, which vacates and remands the NWPR released in 2020 and interprets "waters of the United States" consistent with the pre-2015 regulatory regime. The adoption of the new rule is the subject of litigation, including a suit filed in the United States District Court for the Southern District of Texas. Due to this existing and possible future litigation and regulatory action, there remains uncertainty regarding the ultimate scope of "waters of the United States" and the extent of EPA and USACE jurisdiction. Depending on the final outcome of such proceedings, operations of municipal utility districts, including the District, could potentially be subject to additional restrictions and requirements, including additional permitting requirements.

Extreme Weather Events

The greater Houston area, including the District, is subject to occasional severe weather events, including 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, including the District, has experienced multiple storms exceeding a 0.2% probability (i.e. "500 year flood" events) since 2015, including Hurricane Harvey, which made landfall along the Texas Gulf Coast on August 26, 2017, and brought historic levels of rainfall during the successive four days. However, according to the District's Engineer, the District's System did not sustain any material damage and there was no interruption of water and sewer service resulting from Hurricane Harvey. Further, according to the District's Engineer, after investigation, although the District experienced street flooding, there was no apparent material wind or water damage to homes within the District.

If a future weather event significantly damaged all or part of the improvements within the District, the assessed value of property within the District could be substantially reduced, which could result in a decrease in tax revenues and/or necessitate an increase in the District's tax rate. Further, there can be no assurance that a casualty loss to taxable property within the District will be covered by insurance (or that property owners will even carry flood or other casualty insurance), 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.

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.

Potential Effects of Oil Price Volatility on the Houston Area

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

Changes in Tax Legislation

Certain tax legislation, whether currently proposed or proposed in the future, may directly or indirectly reduce or eliminate the benefit of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, may also affect the value and liquidity of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed, pending or future legislation.

2023 Legislative Session

The 88th Regular Legislative Session convened on January 10, 2023 and concluded on May 29, 2023. The 88th Legislative 1st Special Session convened on May 29, 2023. The Governor of Texas may call additional special sessions at the Governor's discretion, each lasting no more than 30 days and for which the Governor sets the agenda. The Texas Legislature could enact laws that materially change current laws affecting ad valorem tax matters, election measures, and other matters which could adversely affect the marketability or market value of the Bonds. The District can make no representation regarding any actions the Texas Legislature may take or the effect of any such actions. While the enactment of future legislation in Texas could adversely affect the financial condition or operations of the District, the District does not anticipate that the security for payment of the Bonds, specifically, the District's obligation to levy an unlimited annual ad valorem tax, would be adversely affected by any such legislation.

LEGAL MATTERS

Legal Opinions

Delivery of the Bonds will be accompanied by the unqualified approving legal 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 under the Constitution and laws of the State of Texas, and all taxable property within the District is subject to the levy of ad valorem taxes to pay the same, without legal limitation as to rate or amount, based upon examination of a transcript of certified proceedings held incident to the issuance and authorization of the Bonds, and the approving legal opinion of Bond Counsel for the District, to a like effect and to the effect that, under existing law, interest on the Bonds is excludable from gross income for federal tax purposes and interest on the Bonds is not subject to the alternative minimum tax on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations for the purpose of determining the alternative minimum tax imposed on corporations. Such opinions express no opinion with respect to the sufficiency of the security for or the marketability of the Bonds.

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

Allen Boone Humphries Robinson LLP also serves as general counsel to the District on matters other than the issuance of bonds. The legal fees paid to Bond Counsel for services rendered in connection with the issuance of the Bonds are based on a percentage of the bonds actually issued, sold, and delivered and, therefore, such fees are contingent upon the sale and delivery of the Bonds.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of the expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

No-Litigation Certificate

The District will furnish the Underwriter a certificate, executed by the President and Secretary of the Board, and dated as of the date of delivery of the Bonds, that, to their knowledge, no litigation is pending or threatened affecting the validity of the Bonds, or the levy and/or collection of taxes for the payment thereof, or the organization or boundaries of the District, or the title of the officers thereof to their respective offices.

No Material Adverse Change

The obligations of the Underwriters to take up 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 financial condition of the District subsequent to the date of sale from that set forth in the Preliminary Official Statement, as it may have been finalized, supplemented or amended through the date of sale. The rating of the Insurer's creditworthiness by any rating agency does not and will not in any manner affect the District's financial condition, and thus any change to such rating, including a downgrade thereof, at any time, does not and will not constitute a change, material or otherwise, in the District's financial condition, and therefore cannot be a basis for termination by the Underwriter of its obligations to take up and pay for the Bonds.

TAX MATTERS

In the opinion of Allen Boone Humphries Robinson LLP, Bond Counsel, under existing law, interest on the Bonds is excludable from gross income for federal income tax purposes and interest on the Bonds is not subject to the alternative minimum tax on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (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 bond proceeds and the source of repayment of bonds, limitations on the investment of bond proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of bond proceeds be paid periodically to the United States, and a requirement that the issuer file an information report with the Internal Revenue Service (the "Service"). The District has covenanted in the Bond Resolution that it will comply with these requirements.

Bond Counsel's opinion will assume continuing compliance with the covenants of the Bond Resolution 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 Resolution 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 on interest on tax-exempt obligations such as the Bonds are in many cases required to be reported to the IRS. Additionally, backup withholding may apply to such payments to any owner who is not an "exempt recipient" and who fails to provide certain identifying information. Individuals generally are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients.

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

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

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

Tax Accounting Treatment of Original Issue Discount Bonds

The issue price of certain of the Bonds (the "Original Issue Discount Bonds") is 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 MATTERS" generally applies, except as otherwise provided below, to original issue discount on a 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, and (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.

OFFICIAL STATEMENT

General

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

The financial statements of the District as of June 30, 2022, and for the year then ended, included in this offering document, have been audited by McGrath & Co., PLLC, independent auditors, as stated in their report appearing herein. See "APPENDIX B."

Experts

The information contained in the Official Statement relating to engineering and to the description of the System, and, in particular, that engineering information included in the sections entitled "THE DISTRICT" and "THE SYSTEM" has been provided by Coastal Bend Engineering, LLC, and has been included herein in reliance upon the authority of said firm as experts in the field of civil engineering.

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

Certification as to Official Statement

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

Updating of Official Statement

If, subsequent to the date of the Official Statement, to and including the date the Underwriters are no longer required to provide an Official Statement to customers who request same pursuant to Rule 15c2-12 of the United States Securities and Exchange Commission (the "SEC"), the District learns, or is notified by the Underwriters, of any adverse event which causes the Official Statement to be materially misleading, and unless the Underwriters elect to terminate its obligation to purchase the Bonds, the District will promptly prepare and supply to the Underwriters an appropriate amendment or supplement to the Official Statement satisfactory to the Underwriters; provided, however, that the obligation of the District to so amend or supplement the Official Statement will terminate upon the earlier of (i) 90 days after the "end of the underwriting period" as defined in SEC Rule 15c2-12 or (ii) the date the Official Statement is filed with the MSRB (hereinafter defined), but in no case less than 25 days after the "end of the underwriting period."

CONTINUING DISCLOSURE OF INFORMATION

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

Annual Reports

The District will provide certain updated financial information and operating data to the MSRB annually. The information to be updated includes all quantitative financial information and operating data with respect to the District of the general type included in this Official Statement under the headings "DISTRICT DEBT" and "TAX DATA" and in "APPENDIX B" (the Audit). The District will update and provide this information within six months after the end of each fiscal year ending in or after 2023.

The District may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by SEC Rule 15c2-12. The updated information will include audited financial statements, if the District's audit is completed by the required time. If audited financial statements are not available by the required time, the District will provide unaudited financial statements within the required time, and audited financial statements when the audit report becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in the Bond Resolution or such other accounting principles as the District may be required to employ from time to time pursuant to state law or regulation.

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

Event Notices

The District will provide timely notices of certain events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten business days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; 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 determination 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 events affecting the tax status of the Bonds; (7)

modifications to rights of Beneficial Owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District or other obligated person; (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person or the sale of all or substantially all of the assets of the District or other obligated person other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or other obligated person, any of which affect Beneficial Owners of the Bonds, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District or other obligated person, any of which reflect financial difficulties. The terms "obligated person" and "financial obligation" when used in this paragraph shall have the meanings ascribed to them under SEC Rule 15c2-12 (the "Rule"). The term "material" when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Resolution 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 financial information, operating data, or financial statements in accordance with its agreement described above under "Annual Reports."

Availability of Information

The District has agreed to provide the foregoing information only to the MSRB. Investors will be able to access, without charge from the MSRB, continuing disclosure information filed with the MSRB at www.emma.msrb.org.

Limitations and Amendments

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

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

Compliance With Prior Undertakings

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

This Official Statement was approved by the Board of Directors of Brazoria County Municipal Utility District No. 61 as of the date shown on the first page hereof.

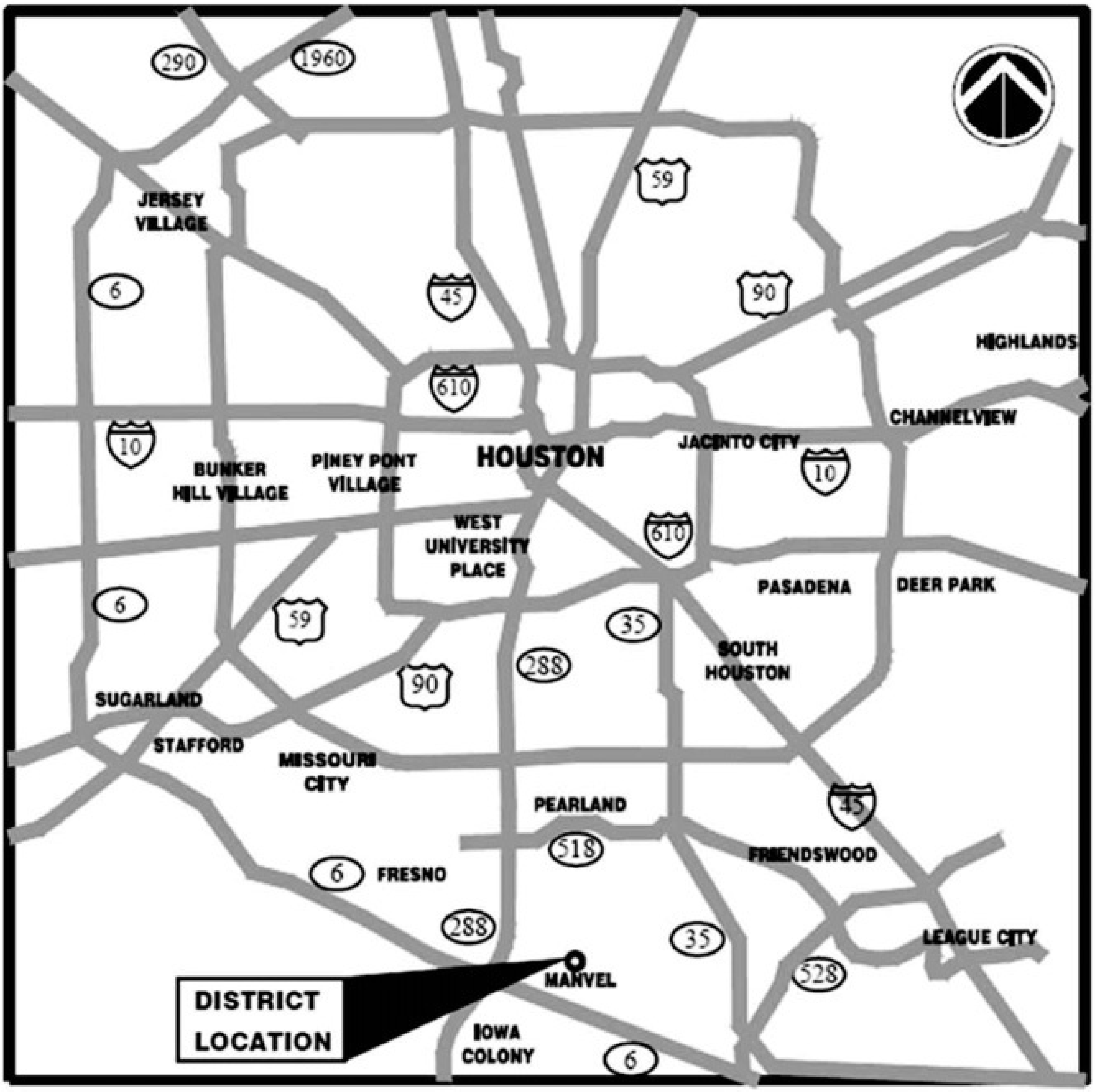
/s/ Isidro Salas
Vice President, Board of Directors
Brazoria County Municipal Utility District No. 61

ATTEST:

/s/ Raymond P. Ruiz
Secretary, Board of Directors
Brazoria County Municipal Utility District No. 61

APPENDIX A

LOCATION MAP



LOCATION MAP

APPENDIX B

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 61

BRAZORIA COUNTY, TEXAS

FINANCIAL REPORT

JUNE 30, 2022

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 61

BRAZORIA COUNTY, TEXAS

FINANCIAL REPORT

June 30, 2022

Table of Contents

McGRATH & CO., PLLC
Certified Public Accountants
2900 North Loop West, Suite 880
Houston, Texas 77092

Independent Auditor's Report

Board of Directors
Brazoria County Municipal Utility District No. 61
Brazoria County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Brazoria County Municipal Utility District No. 61 (the "District"), as of and for the year ended June 30, 2022, 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 Brazoria County Municipal Utility District No. 61, as of June 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

McGrath & Co, PLLC

Houston, Texas
October 12, 2022

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Management's Discussion and Analysis

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Using this Annual Report

Within this section of the financial report of Brazoria County Municipal Utility District No. 61 (the "District"), the District's Board of Directors provides a narrative discussion and analysis of the financial activities of the District for the fiscal year ended June 30, 2022. This analysis should be read in conjunction with the independent auditor's report and the basic financial statements that follow this section.

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

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

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

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

Financial Analysis of the District as a Whole

The District's net position at June 30, 2022, was negative $11,175,044. The District's net position is negative because the District incurs debt to construct water, sewer and certain drainage facilities which it conveys to the City of Manvel. A comparative summary of the District's overall financial position, as of June 30, 2022 and 2021, is as follows:

	2022	2021
Current and other assets	$ 2,664,089	$ 2,175,441
Capital assets	4,265,459	4,267,283
Total assets	6,929,548	6,442,724
Current liabilities	559,635	405,874
Long-term liabilities	17,544,957	17,899,065
Total liabilities	18,104,592	18,304,939
Net position		
Net investment in capital assets	(389,842)	(445,343)
Restricted	1,749,078	1,385,489
Unrestricted	(12,534,280)	(12,802,361)
Total net position	$ (11,175,044)	$ (11,862,215)

The total net position of the District increased during the current fiscal year by $687,171. A comparative summary of the District's *Statement of Activities* for the past two years is as follows:

	2022	2021
Revenues		
Property taxes, penalties and interest	$ 1,445,516	$ 1,321,266
Other	7,001	2,832
Total revenues	1,452,517	1,324,098
Expenses		
Operating and administrative	322,656	205,538
Debt interest and fees	440,866	447,011
Debt issuance costs		1,863
Depreciation	1,824	1,824
Total expenses	765,346	656,236
Change in net position before other item	687,171	667,862
Other item		
Transfers to other governments		(1,559,768)
Change in net position	687,171	(891,906)
Net position, beginning of year	(11,862,215)	(10,970,309)
Net position, end of year	$ (11,175,044)	$ (11,862,215)

Financial Analysis of the District's Funds

The District's combined fund balances, as of June 30, 2022, were $2,586,340, which consists of $711,219 in the General Fund, $1,871,987 in the Debt Service Fund and $3,134 in the Capital Projects Fund.

General Fund

A comparative summary of the General Fund's financial position as of June 30, 2022 and 2021 is as follows:

	2022	2021
Total assets	$ 768,339	$ 632,196
Total liabilities	$ 51,097	$ 19,859
Total deferred inflows	6,023	4,755
Total fund balance	711,219	607,582
Total liabilities, deferred inflows and fund balance	$ 768,339	$ 632,196

A comparative summary of the General Fund's activities for the current and prior fiscal year is as follows:

	2022	2021
Total revenues	$ 390,561	$ 320,544
Total expenditures	(286,924)	(181,810)
Revenues over expenditures	$ 103,637	$ 138,734

The District manages its activities with the objectives of ensuring that expenditures will be adequately covered by revenues each year and that an adequate fund balance is maintained. The District's primary financial resources in the General Fund are from a property tax levy, which is dependent upon assessed values in the District and the maintenance tax rate set by the District. Property tax revenues increased from prior year because the District increased the maintenance and operations component of the levy and because assessed values increased from prior year.

Debt Service Fund

A comparative summary of the Debt Service Fund's financial position as of June 30, 2022 and 2021 is as follows:

	2022	2021
Total assets	$ 1,892,616	$ 1,531,444
Total liabilities	$ 172	$ 169
Total deferred inflows	20,457	16,783
Total fund balance	1,871,987	1,514,492
Total liabilities, deferred inflows and fund balance	$ 1,892,616	$ 1,531,444

A comparative summary of the Debt Service Fund's activities for the current and prior fiscal year is as follows:

	2022	2021
Total revenues	$ 1,057,003	$ 995,197
Total expenditures	(699,508)	(661,614)
Revenues over expenditures	$ 357,495	$ 333,583

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

Capital Projects Fund

A comparative summary of the Capital Projects Fund's financial position as of June 30, 2022 and 2021 is as follows:

	2022	2021
Total assets	$ 3,134	$ 11,801
Total liabilities	$ -	$ 60
Total fund balance	3,134	11,741
Total liabilities and fund balance	$ 3,134	$ 11,801

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

	2022	2021
Total revenues	$ 11	$ 27
Total expenditures	(8,618)	(1,863)
Revenues under expenditures	$ (8,607)	$ (1,836)

The District has not had any significant capital asset activity in the last two years.

General Fund Budgetary Highlights

The Board of Directors adopts an annual unappropriated budget for the General Fund prior to the beginning of each fiscal year. The Board amended the budget during the year to reflect changes in anticipated revenues and expenditures.

Since the District's budget is primarily a planning tool, actual results varied from the budgeted amounts. Actual net change in fund balance was $60,166 greater than budgeted. The *Budgetary Comparison Schedule* on page 32 of this report provides variance information per financial statement line item.

Capital Assets

The District has entered into financing agreements with its developers for the financing of the construction of capital assets within the District. Developers will be reimbursed from proceeds of future bond issues or other lawfully available funds. These developer funded capital assets are recorded on the District's financial statements upon completion of construction.

Capital assets held by the District at June 30, 2022 and 2021 are summarized as follows:

	2022	2021
Capital assets not being depreciated		
Land and improvements	$ 4,247,220	$ 4,247,220
Capital assets being depreciated		
Landscaping improvements	36,479	36,479
Less accumulated depreciation	(18,240)	(16,416)
Depreciable capital assets, net	18,239	20,063
Capital assets, net	$ 4,265,459	$ 4,267,283

The District and the City of Manvel (the "City") have entered into an agreement which obligates the District to construct water, wastewater, and certain storm drainage facilities to serve the District and, when completed, to convey title to the facilities to the City. Detention facilities and certain other capital assets are retained by the District. Additional information is presented in Note 9.

Long-Term Debt and Related Liabilities

As of June 30, 2022, the District owes approximately $5,133,697 to developers for completed projects. The initial cost of the completed project and related liability is estimated based on actual construction costs plus 10-15% for engineering and other fees and is recorded on the District's financial statements upon completion of construction. The District intends to reimburse the developers from proceeds of future bond issues or other lawfully available funds. The estimated cost of amounts owed to the developers is trued up when the developers are reimbursed.

At June 30, 2022 and 2021, the District had total bonded debt outstanding as shown below:

Series	2022	2021
2018	$ 8,755,000	$ 8,995,000
2020	4,250,000	4,250,000
	$ 13,005,000	$ 13,245,000

At June 30, 2022, the District had $49,810,000 unlimited tax bonds authorized, but unissued for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage systems within the District and the refunding of such bonds and $6,500,000 for parks and recreational facilities and the refunding of such bonds.

Next Year's Budget

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

	2022 Actual	2023 Budget
Total revenues	$ 390,561	$ 386,385
Total expenditures	(286,924)	(257,683)
Revenues over expenditures	103,637	128,702
Beginning fund balance	607,582	711,219
Ending fund balance	$ 711,219	$ 839,921

Property Taxes

The District's property tax base increased approximately $26,329,000 for the 2022 tax year from $177,226,663 to $203,555,679. This increase was primarily due to new construction in the District and increased property values. For the 2022 tax year, the District has levied a maintenance tax rate of $0.12 per $100 of assessed value and a debt service tax rate of $0.62 per $100 of assessed value, for a total combined tax rate of $0.74 per $100. Tax rates for the 2021 tax year were $0.22 per $100 for maintenance and operations and $0.59 per $100 for debt service for a combined total of $0.81 per $100 of assessed value.

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Basic Financial Statements

Brazoria County Municipal Utility District No. 61
Statement of Net Position and Governmental Fund Balances Sheet
June 30, 2022

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets						
Cash	$ 6,354	$ 57,648	$ 198	$ 64,200	$ -	$ 64,200
Investments	755,218	1,815,255	2,936	2,573,409		2,573,409
Taxes receivable	6,023	20,457		26,480		26,480
Internal balances	744	(744)				
Capital assets not being depreciated					4,247,220	4,247,220
Capital assets, net					18,239	18,239
Total Assets	$ 768,339	$ 1,892,616	$ 3,134	$ 2,664,089	4,265,459	6,929,548
Liabilities						
Accounts payable	$ 50,122	$ -	$ -	$ 50,122		50,122
Other payables	975	172		1,147		1,147
Accrued interest payable					143,366	143,366
Due to developers					5,133,697	5,133,697
Long-term debt						
Due within one year					365,000	365,000
Due after one year					12,411,260	12,411,260
Total Liabilities	51,097	172		51,269	18,053,323	18,104,592
Deferred Inflows of Resources						
Deferred property taxes	6,023	20,457		26,480	(26,480)	
Fund Balances/Net Position						
Fund Balances						
Restricted		1,871,987	3,134	1,875,121	(1,875,121)	
Unassigned	711,219			711,219	(711,219)	
Total Fund Balances	711,219	1,871,987	3,134	2,586,340	(2,586,340)	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 768,339	$ 1,892,616	$ 3,134	$ 2,664,089		
Net Position						
Net investment in capital assets					(389,842)	(389,842)
Restricted for debt service					1,749,078	1,749,078
Unrestricted					(12,534,280)	(12,534,280)
Total Net Position					$ (11,175,044)	$ (11,175,044)

See notes to basic financial statements.

Brazoria County Municipal Utility District No. 61
Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2022

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues						
Property taxes	$ 388,521	$ 1,043,192	$ -	$ 1,431,713	$ 3,624	$ 1,435,337
Penalties and interest		8,861		8,861	1,318	10,179
Miscellaneous		10		10		10
Investment earnings	2,040	4,940	11	6,991		6,991
Total Revenues	390,561	1,057,003	11	1,447,575	4,942	1,452,517
Expenditures/Expenses						
Operating and administrative						
Professional fees	213,171		7,939	221,110		221,110
Contracted services	25,583	20,878		46,461		46,461
Repairs and maintenance	25,000			25,000		25,000
Administrative	19,328	5,306	679	25,313		25,313
Other	3,842	930		4,772		4,772
Debt service						
Principal		240,000		240,000	(240,000)	
Interest and fees		432,394		432,394	8,472	440,866
Depreciation					1,824	1,824
Total Expenditures/Expenses	286,924	699,508	8,618	995,050	(229,704)	765,346
Revenues Over/(Under) Expenditures	103,637	357,495	(8,607)	452,525	(452,525)	
Change in Net Position					687,171	687,171
Fund Balance/Net Position						
Beginning of the year	607,582	1,514,492	11,741	2,133,815	(13,996,030)	(11,862,215)
End of the year	$ 711,219	$ 1,871,987	$ 3,134	$ 2,586,340	$ (13,761,384)	$ (11,175,044)

See notes to basic financial statements.

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Note 1 – Summary of Significant Accounting Policies

The accounting policies of Brazoria County Municipal Utility District No. 61 (the "District") conform with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board ("GASB"). The following is a summary of the most significant policies:

Creation

The District was organized, created and established pursuant to an order of the Texas Commission on Environmental Quality dated September 9, 2008, and operates in accordance with the Texas Water Code, Chapters 49 and 54. The Board of Directors held its first meeting on June 24, 2009 and the first bonds were issued on March 20, 2018.

The District is responsible for constructing water, sewer and drainage facilities within the District. As further discussed in Note 9, the District transfers the water, sewer and certain drainage facilities to the City of Manvel for operation and maintenance upon completion of construction. The District has contracted with various consultants to provide services to operate and administer the affairs of the District. The District has no employees, related payroll or pension costs.

Reporting Entity

The District is a political subdivision of the State of Texas governed by an elected five-member board. The GASB has established the criteria for determining the reporting entity for financial statement reporting purposes. To qualify as a primary government, a government must have a separately elected governing body, be legally separate, and be fiscally independent of other state and local governments, while a component unit is a legally separate government for which the elected officials of a primary government are financially accountable. Fiscal independence implies that the government has the authority to adopt a budget, levy taxes, set rates, and/or issue bonds without approval from other governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District's financial statements as component units.

Government-Wide and Fund Financial Statements

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

Note 1 – Summary of Significant Accounting Policies (continued)

Government-Wide and Fund Financial Statements (continued)

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

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

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

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

Measurement Focus and Basis of Accounting

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

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

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

Note 1 – Summary of Significant Accounting Policies (continued)

Use of Restricted Resources

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

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Receivables from and payables to external parties are reported separately and are not offset, unless a legal right of offset exists. At June 30, 2022, an allowance for uncollectible accounts was not considered necessary.

Interfund Activity

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

Capital Assets

Capital assets do not provide financial resources at the fund level, and, therefore, are reported only in the government-wide statements. The District defines capital assets as assets with an initial cost of $50,000 or more and an estimated useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire the asset on the acquisition date. The District has not capitalized interest incurred during the construction of its capital assets. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Depreciable capital assets, which primarily consist of landscaping improvements, are depreciated using the straight-line method over an estimated useful life of 20 years. The District's detention facilities are considered improvements to land and are non-depreciable.

Deferred Inflows and Outflows of Financial Resources

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

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

Note 1 – Summary of Significant Accounting Policies (continued)

Net Position – Governmental Activities

Governmental accounting standards establish the following three components of net position:

Net investment in capital assets – represents the District's investments in capital assets, less any outstanding debt or other borrowings used to acquire those assets.

Restricted – consists of financial resources that are restricted for a specific purpose by enabling legislation or external parties.

Unrestricted – resources not included in the other components.

Fund Balances – Governmental Funds

Governmental accounting standards establish the following fund balance classifications:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The District does not have any nonspendable fund balances.

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

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

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

Unassigned - all other spendable amounts in the General Fund.

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

Note 1 – Summary of Significant Accounting Policies (continued)

Use of Estimates

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

Note 2 – Adjustment from Governmental to Government-wide Basis

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

Total fund balance, governmental funds		$ 2,586,340
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
Historical cost	$ 4,283,699	
Less accumulated depreciation	(18,240)	
Change due to capital assets		4,265,459
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. The difference consists of:		
Bonds payable, net	(12,776,260)	
Interest payable on bonds	(143,366)	
Change due to long-term debt		(12,919,626)
Amounts due to the District's developers for prefunded construction are recorded as a liability in the *Statement of Net Position.*		(5,133,697)
Property taxes receivable and related penalties and interest have been levied and are due, but are not available soon enough to pay current period expenditures and, therefore, are deferred in the funds.		26,480
Total net position - governmental activities		$ (11,175,044)

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

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

Net change in fund balances - total governmental funds			$	452,525
Governmental funds do not report revenues that are not available to pay current obligations. In contrast, such revenues are reported in the *Statement of Activities* when earned. The difference is for property taxes and related penalties and interest.				4,942
In the *Statement of Activities,* the cost of capital assets is charged to depreciation expense over the estimated useful life of the asset.				(1,824)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal uses current financial resources. However, neither transaction has any effect on net assets. Other elements of debt financing are reported differently between the fund and government wide statements.				
Principal payments	$	240,000		
Interest expense accrual		(8,472)		
				231,528
Change in net position of governmental activities			$	687,171

Note 3 – Deposits and Investments

Deposit Custodial Credit Risk

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

Note 3 – Deposits and Investments (continued)

Investments

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

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

As of June 30, 2022, the District's investments consist of the following:

Type	Fund	Carrying Value	Rating	Weighted Average Maturity
Texas CLASS	General	$ 755,218		
	Debt Service	1,815,255		
	Capital Projects	2,936		
		$ 2,573,409	AAAm	70 days

Texas CLASS

The District participates in Texas Cooperative Liquid Assets Securities System (Texas CLASS). Texas CLASS is managed by an elected Board of Trustees consisting of members of the pool. Additionally, the Board of Trustees has established an advisory board, the function of which is to provide guidance on investment policies and strategies. The Board of Trustees has selected Public Trust Advisors, LLC as the program administer and UMB Bank N.A., as the custodian.

Note 3 – Deposits and Investments (continued)

Texas CLASS (continued)

The District's investment in Texas CLASS is reported at fair value because Texas CLASS uses fair value to report investments (other than repurchase agreements which are valued at amortized cost). Governmental accounting standards establish the following hierarchy of inputs used to measure fair value: Level 1 inputs are based on quoted prices in active markets, Level 2 inputs are based on significant other observable inputs, and Level 3 inputs are based on significant unobservable inputs. The District's investment in Texas CLASS is measured using published fair value per share (level 1 inputs).

Investments in Texas CLASS may be withdrawn via wire transfer on a same day basis, as long as the transaction is executed by 4 p.m. ACH withdrawals made by 4 p.m. will settle on the next business day.

Investment Credit and Interest Rate Risk

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

Note 4 – Interfund Balances and Transactions

Amounts due to/from other funds at June 30, 2022, consist of the following:

Receivable Fund	Payable Fund	Amounts	Purpose
General Fund	Debt Service Fund	$ 744	Maintenance tax collections not remitted as of year end

Amounts reported as internal balances between funds are considered temporary balances and will be paid during the following fiscal year.

Note 5 – Capital Assets

A summary of changes in capital assets, for the year ended June 30, 2022, is as follows:

	Beginning Balances	Additions	Ending Balances
Capital assets not being depreciated			
Land and improvements	$ 4,247,220	$ -	$ 4,247,220
Capital assets being depreciated			
Landscaping improvements	36,479		36,479
Less accumulated depreciation	(16,416)	(1,824)	(18,240)
Subtotal depreciable capital assets, net	20,063	(1,824)	18,239
Capital assets, net	$ 4,267,283	$ (1,824)	$ 4,265,459

Depreciation expense for the current year was $1,824.

Note 6 – Due to Developers

The District has entered into financing agreements with its developers for the financing of the construction of water, sewer, drainage, and park and recreational facilities. Under the agreements, the developers will advance funds for the construction of facilities to serve the District. The developers will be reimbursed from proceeds of future bond issues or other lawfully available funds, subject to approval by TCEQ, as applicable. The District does not record the capital asset and related liability on the government-wide statements until construction of the facilities is complete. The initial cost is estimated based on construction costs plus 10-15% for engineering and other fees. Estimates are trued up when the developers are reimbursed.

The amount due to developers at June 30, 2022 is approximately $5,133,697. There was no change in this liability from the prior year.

Note 7 – Long-Term Debt

Long-term debt is comprised of the following:

Bonds payable	$	13,005,000
Unamortized discounts		(228,740)
	$	12,776,260
Due within one year	$	365,000

The District's bonds payable at June 30, 2022, consists of unlimited tax bonds as follows:

Series	Amounts Outstanding	Original Issue	Interest Rates	Maturity Date, Serially, Beginning/ Ending	Interest Payment Dates	Call Dates
2018	$ 8,755,000	$ 9,440,000	3.00% - 3.625%	September 1, 2019/2042	September 1, March 1	September 1, 2023
2020	4,250,000	4,250,000	2.10% - 4.00%	September 1, 2022/2044	September 1, March 1	September 1, 2025
	$ 13,005,000					

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

At June 30, 2022, the District had authorized but unissued bonds in the amount of $49,810,000 for water, sewer and drainage facilities and the refunding of such bonds, and $6,500,000 for park and recreational facilities and the refunding of such bonds.

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

Bonds payable, beginning of year	$	13,245,000
Bonds retired		(240,000)
Bonds payable, end of year	$	13,005,000

Note 7 – Long-Term Debt (continued)

As of June 30, 2022, annual debt service requirements on bonds outstanding are as follows:

Year	Principal	Interest	Totals
2023	$ 365,000	$ 420,494	$ 785,494
2024	385,000	408,069	793,069
2025	400,000	395,069	795,069
2026	420,000	381,494	801,494
2027	440,000	368,552	808,552
2028	460,000	356,289	816,289
2029	480,000	342,525	822,525
2030	505,000	327,163	832,163
2031	525,000	311,006	836,006
2032	550,000	294,022	844,022
2033	570,000	276,094	846,094
2034	600,000	257,149	857,149
2035	625,000	237,194	862,194
2036	655,000	216,219	871,219
2037	680,000	194,088	874,088
2038	715,000	170,385	885,385
2039	750,000	145,175	895,175
2040	780,000	118,835	898,835
2041	815,000	91,363	906,363
2042	855,000	62,593	917,593
2043	890,000	32,368	922,368
2044	265,000	12,734	277,734
2045	275,000	4,297	279,297
	$ 13,005,000	$ 5,423,177	$ 18,428,177

Note 8 – Property Taxes

On November 6, 2012, the voters of the District authorized the District's Board of Directors to levy taxes annually for use in financing general operations limited to $1.50 per $100 of assessed value. The District's bond resolutions require that property taxes be levied for use in paying interest and principal on long-term debt and for use in paying the cost of assessing and collecting taxes. Taxes levied to finance debt service requirements on long-term debt are without limitation as to rate or amount.

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

Note 8 – Property Taxes (continued)

Property taxes are collected based on rates adopted in the year of the levy. The District's 2022 fiscal year was financed through the 2021 tax levy, pursuant to which the District levied property taxes of \$0.81 per \$100 of assessed value, of which \$0.22 was allocated to maintenance and operations and \$0.59 was allocated to debt service. The resulting tax levy was \$1,435,535 on the adjusted taxable value of \$177,226,663.

Property taxes receivable, at June 30, 2022, consisted of the following:

Current year taxes receivable	$	17,770
Prior years taxes receivable		4,583
		22,353
Penalty and interest receivable		4,127
Total property taxes receivable	$	26,480

Note 9 – Utility Agreement with the City of Manvel

On July 28, 2008, the District entered into a utility agreement with the City of Manvel (the "City") for construction and extension of water distribution lines, sanitary sewer collection systems and certain drainage facilities to serve the District. The agreement was later amended on May 11, 2015, to provide that the District, through its developer would expand the City's wastewater treatment capacity, at its expense, to serve its new sections, and the wastewater treatment plant surplus capacity created by the Expansion Facilities (as defined in the Amendment) is allocated to the District, and any such capacity not needed by the District is available for other users. The Expansion Facilities were completed and conveyed to the City in 2019. The term of the agreement is 20 years. Water and sewer rates charged by the City to users in the District, shall be the same rates charged to similar users within the City. All revenue derived from these charges belongs to the City.

On June 28, 2022, the District and the City entered into a settlement agreement to provide that each of the residential lots currently receiving water service within the District shall receive a pro-rata credit in the aggregate amount of \$355,350, to be deducted from the total of their monthly water bill on a per lot, per month basis beginning on October 1, 2022. The City's payment shall represent the City's purchase of all of the District's remaining surplus capacity in the City's expanded wastewater treatment plant other than currently allocated capacity.

Note 10 – Risk Management

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

Required Supplementary Information

Brazoria County Municipal Utility District No. 61
Required Supplementary Information - Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property taxes	$ 315,145	$ 315,145	$ 388,521	$ 73,376
Investment earnings	240	300	2,040	1,740
Total Revenues	315,385	315,445	390,561	75,116
Expenditures				
Operating and administrative				
Professional fees	144,308	186,750	213,171	(26,421)
Contracted services	21,600	22,855	25,583	(2,728)
Repairs and maintenance	38,400	38,400	25,000	13,400
Administrative	24,160	22,375	19,328	3,047
Other	2,175	1,594	3,842	(2,248)
Total Expenditures	230,643	271,974	286,924	(14,950)
Revenues Over Expenditures	84,742	43,471	103,637	60,166
Fund Balance				
Beginning of the year		607,582	607,582	
End of the year	$ 84,742	$ 651,053	$ 711,219	$ 60,166

Budgets and Budgetary Accounting

An annual unappropriated budget is adopted for the General Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. The budget was amended during the year to reflect changes in anticipated revenues and expenditures.

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Texas Supplementary Information

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

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

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

[X] Other (Specify): Water and sewer services are provided by the City of Manvel

2. Retail Service Providers

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

	Minimum Charge	Minimum Usage	Flat Rate (Y / N)	Rate per 1,000 Gallons Over Minimum Usage	Usage Levels
Water:					to
Wastewater:					to
Surcharge:					to

District employs winter averaging for wastewater usage? [ ] Yes [ ] No

Total charges per 10,000 gallons usage: Water ______ Wastewater ______

b. Water and Wastewater Retail Connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC'S
Unmetered			x 1.0	
less than 3/4"			x 1.0	
1"			x 2.5	
1.5"			x 5.0	
2"			x 8.0	
3"			x 15.0	
4"			x 25.0	
6"			x 50.0	
8"			x 80.0	
10"			x 115.0	
Total Water				
Total Wastewater			x 1.0	

See accompanying auditor's report.

3. Total Water Consumption during the fiscal year (rounded to the nearest thousand):

Gallons pumped into system:	N/A	Water Accountability Ratio: (Gallons billed / Gallons pumped)
Gallons billed to customers:	N/A	N/A

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

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

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

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

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

5. Location of District:

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

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

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

City(ies) in which the District is located: City of Manvel

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

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

ETJs in which the District is located: ____________

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

If Yes, by whom? ____________

See accompanying auditors' report.

Brazoria County Municipal Utility District No. 61
TSI-2 General Fund Expenditures
For the Year Ended June 30, 2022

Professional fees	
Legal	$ 169,985
Audit	10,000
Engineering	33,186
	213,171
Contracted services	
Bookkeeping	25,583
Repairs and maintenance	25,000
Administrative	
Directors fees	8,100
Printing and office supplies	3,491
Insurance	2,460
Other	5,277
	19,328
Other	3,842
Total expenditures	$ 286,924

Reporting of Utility Services in Accordance with HB 3693:

	Usage	Cost
Electrical	N/A	N/A
Water	N/A	N/A
Natural Gas	N/A	N/A

See accompanying auditors' report.

Brazoria County Municipal Utility District No. 61
TSI-3. Investments
June 30, 2022

Fund	Interest Rate	Maturity Date	Balance at End of Year
General			
Texas CLASS	Variable	N/A	$ 755,218
Debt Service			
Texas CLASS	Variable	N/A	1,815,255
Capital Projects			
Texas CLASS	Variable	N/A	2,936
Total - All Funds			$ 2,573,409

See accompanying auditors' report.

Brazoria County Municipal Utility District No. 61
TSI-4. Taxes Levied and Receivable
June 30, 2022

	Maintenance Taxes	Debt Service Taxes	Totals
Taxes Receivable, Beginning of Year	$ 4,755	$ 13,974	$ 18,729
Adjustments to Prior Year Tax Levy	(109)	(89)	(198)
Adjusted Receivable	4,646	13,885	18,531
2021 Original Tax Levy	352,308	944,827	1,297,135
Adjustments	37,590	100,810	138,400
Adjusted Tax Levy	389,898	1,045,637	1,435,535
Total to be accounted for	394,544	1,059,522	1,454,066
Tax collections:			
Current year	385,072	1,032,693	1,417,765
Prior years	3,449	10,499	13,948
Total Collections	388,521	1,043,192	1,431,713
Taxes Receivable, End of Year	$ 6,023	$ 16,330	$ 22,353
Taxes Receivable, By Years			
2021	$ 4,826	$ 12,944	$ 17,770
2020	664	2,054	2,718
2019	533	1,332	1,865
Taxes Receivable, End of Year	$ 6,023	$ 16,330	$ 22,353

	2021	2020	2019	2018
Property Valuations:				
Land	$ 27,751,700	$ 27,566,420	$ 17,265,530	$ 17,692,885
Improvements	156,066,172	128,359,478	102,194,255	78,248,080
Personal Property	5,909,910	5,543,580	4,685,280	1,740,270
Exemptions	(12,501,119)	(8,480,108)	(6,229,323)	(4,710,534)
Total Property Valuations	$ 177,226,663	$ 152,989,370	$ 117,915,742	$ 92,970,701
Tax Rates per $100 Valuation:				
Maintenance tax rates	$ 0.22	$ 0.21	$ 0.26	$ 0.26
Debt service tax rates	0.59	0.65	0.65	0.65
Total Tax Rates per $100 Valuation	$ 0.81	$ 0.86	$ 0.91	$ 0.91
Adjusted Tax Levy:	$ 1,435,535	$ 1,315,709	$ 1,073,033	$ 846,033
Percentage of Taxes Collected to Taxes Levied **	98.76%	99.79%	99.83%	100.00%

* Maximum Maintenance Tax Rate Approved by Voters: $1.50 on November 6, 2012

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

See accompanying auditors' report.

Brazoria County Municipal Utility District No. 61
TSI-5. Long-Term Debt Service Requirements
Series 2018--by Years
June 30, 2022

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2023	$ 250,000	$ 298,419	$ 548,419
2024	265,000	290,694	555,694
2025	275,000	282,594	557,594
2026	290,000	274,119	564,119
2027	305,000	265,194	570,194
2028	320,000	255,819	575,819
2029	335,000	245,156	580,156
2030	350,000	233,169	583,169
2031	365,000	220,656	585,656
2032	385,000	207,531	592,531
2033	400,000	193,794	593,794
2034	420,000	179,444	599,444
2035	440,000	164,394	604,394
2036	460,000	148,644	608,644
2037	480,000	132,194	612,194
2038	505,000	114,641	619,641
2039	530,000	95,881	625,881
2040	555,000	76,216	631,216
2041	580,000	55,644	635,644
2042	610,000	34,075	644,075
2043	635,000	11,509	646,509
	$ 8,755,000	$ 3,779,787	$ 12,534,787

See accompanying auditors' report.

Brazoria County Municipal Utility District No. 61
TSI-5. Long-Term Debt Service Requirements
Series 2020--by Years
June 30, 2022

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2023	$ 115,000	$ 122,075	$ 237,075
2024	120,000	117,375	237,375
2025	125,000	112,475	237,475
2026	130,000	107,375	237,375
2027	135,000	103,358	238,358
2028	140,000	100,470	240,470
2029	145,000	97,369	242,369
2030	155,000	93,994	248,994
2031	160,000	90,350	250,350
2032	165,000	86,491	251,491
2033	170,000	82,300	252,300
2034	180,000	77,705	257,705
2035	185,000	72,800	257,800
2036	195,000	67,575	262,575
2037	200,000	61,894	261,894
2038	210,000	55,744	265,744
2039	220,000	49,294	269,294
2040	225,000	42,619	267,619
2041	235,000	35,719	270,719
2042	245,000	28,518	273,518
2043	255,000	20,859	275,859
2044	265,000	12,734	277,734
2045	275,000	4,297	279,297
	$ 4,250,000	$ 1,643,390	$ 5,893,390

See accompanying auditors' report.

Brazoria County Municipal Utility District No. 61
TSI-5. Long-Term Debt Service Requirements
All Bonded Debt Series--by Years
June 30, 2022

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2023	$ 365,000	$ 420,494	$ 785,494
2024	385,000	408,069	793,069
2025	400,000	395,069	795,069
2026	420,000	381,494	801,494
2027	440,000	368,552	808,552
2028	460,000	356,289	816,289
2029	480,000	342,525	822,525
2030	505,000	327,163	832,163
2031	525,000	311,006	836,006
2032	550,000	294,022	844,022
2033	570,000	276,094	846,094
2034	600,000	257,149	857,149
2035	625,000	237,194	862,194
2036	655,000	216,219	871,219
2037	680,000	194,088	874,088
2038	715,000	170,385	885,385
2039	750,000	145,175	895,175
2040	780,000	118,835	898,835
2041	815,000	91,363	906,363
2042	855,000	62,593	917,593
2043	890,000	32,368	922,368
2044	265,000	12,734	277,734
2045	275,000	4,297	279,297
	$ 13,005,000	$ 5,423,177	$ 18,428,177

See accompanying auditors' report.

Brazoria County Municipal Utility District No. 61
TSI-6. Change in Long-Term Bonded Debt
June 30, 2022

	Bond Issue		
	Series 2018	Series 2020	Totals
Interest rate	3.00% - 3.625%	2.10% - 4.00%	
Dates interest payable	9/1; 3/1	9/1; 3/1	
Maturity dates	9/1/19 - 9/1/42	9/1/22 - 9/1/44	
Beginning bonds outstanding	$ 8,995,000	$ 4,250,000	$ 13,245,000
Bonds retired	(240,000)		(240,000)
Ending bonds outstanding	$ 8,755,000	$ 4,250,000	$ 13,005,000
Interest paid during fiscal year	$ 305,769	$ 124,375	$ 430,144

Paying agent's name and city
All Series — The Bank of New York Mellon Trust Company, N.A., Dallas, Texas

Bond Authority:	Water, Sewer, Drainage and Refunding Bonds	Recreational and Refunding Bonds
Amount Authorized by Voters	$ 63,500,000	$ 6,500,000
Amount Issued	(13,690,000)	
Remaining To Be Issued	$ 49,810,000	$ 6,500,000

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

Debt Service Fund cash and investment balances as of June 30, 2022:	$ 1,872,903
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 801,225

See accompanying auditors' report.

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Brazoria County Municipal Utility District No. 61
TSI-7a. Comparative Schedule of Revenues and Expenditures - General Fund
For the Last Five Fiscal Years

	Amounts				
	2022	2021	2020	2019	2018
Revenues					
Property taxes	$ 388,521	$ 319,744	$ 305,551	$ 267,227	$ 686,518
Penalties and interest					2,618
Miscellaneous					93
Investment earnings	2,040	800	20,601	28,165	9,467
Total Revenues	390,561	320,544	326,152	295,392	698,696
Expenditures					
Operating and administrative					
Professional fees	213,171	115,503	139,395	91,684	91,989
Contracted services	25,583	21,310	18,725	16,650	18,632
Repairs and maintenance	25,000	28,483	5,250	49,313	34,413
Administrative	19,328	16,189	19,525	11,015	11,895
Other	3,842	325	3,243	676	2,358
Capital outlay			947,462		
Total Expenditures	286,924	181,810	1,133,600	169,338	159,287
Revenues Over/(Under) Expenditures	$ 103,637	$ 138,734	$ (807,448)	$ 126,054	$ 539,409

*Percentage is negligible

See accompanying auditors' report.

Percent of Fund Total Revenues				
2022	2021	2020	2019	2018
99%	100%	94%	90%	99%
				*
				*
1%	*	6%	10%	1%
100%	100%	100%	100%	100%
55%	36%	43%	31%	13%
7%	7%	6%	6%	3%
6%	9%	2%	17%	5%
5%	5%	6%	4%	2%
1%	*	1%	*	*
		290%		
74%	57%	348%	58%	23%
26%	43%	(248%)	42%	77%

Brazoria County Municipal Utility District No. 61
TSI-7b. Comparative Schedule of Revenues and Expenditures - Debt Service Fund
For the Last Five Fiscal Years

	Amounts				
	2022	2021	2020	2019	2018
Revenues					
Property taxes	$ 1,043,192	$ 988,526	$ 762,767	$ 604,966	$ -
Penalties and interest	8,861	4,666	2,616	3,135	
Miscellaneous	10				
Investment earnings	4,940	2,005	13,629	17,986	3,780
Total Revenues	1,057,003	995,197	779,012	626,087	3,780
Expenditures					
Tax collection services	26,184	20,308	14,490	11,962	
Other	930	3,420	275	275	
Debt service					
Principal	240,000	230,000	215,000		
Interest and fees	432,394	407,886	320,994	307,187	
Total Expenditures	699,508	661,614	550,759	319,424	
Revenues Over Expenditures	$ 357,495	$ 333,583	$ 228,253	$ 306,663	$ 3,780

*Percentage is negligible

See accompanying auditors' report.

Percent of Fund Total Revenues				
2022	2021	2020	2019	2018
99%	100%	98%	96%	
1%	*	*	1%	
*				
*	*	2%	3%	100%
100%	100%	100%	100%	100%
2%	2%	2%	2%	
*	*	*	*	
23%	23%	28%		
41%	41%	41%	49%	
66%	66%	71%	51%	0%
34%	34%	29%	49%	100%

Brazoria County Municipal Utility District No. 61
TSI-8. Board Members, Key Personnel and Consultants
For the Year Ended June 30, 2022

Complete District Mailing Address:	3200 Southwest Freeway, Suite 2600, Houston, TX 77027
District Business Telephone Number:	(713) 860-6400
Submission Date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):	May 11, 2022
Limit on Fees of Office that a Director may receive during a fiscal year: (Set by Board Resolution -- TWC Section 49.0600)	$ 7,200

Names:	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid *	Expense Reimburse-ments	Title at Year End
Board Members				
David B. Jackson	05/22 - 05/26	$ 1,500	$ 259	President
Daniel Greco	05/22 - 05/26	900	138	Vice President
Raymond P. Ruiz	05/20 - 05/24	2,850	304	Secretary
Isidro Salas	05/20 - 05/24	1,200		Assistant Vice President
Jerry Hattox	05/20 - 05/24	1,650		Assistant Secretary
Consultants		Paid		
Allen Boone Humphries Robinson LLP	06/09			Attorney
General legal fees		$ 126,475		
McLennan & Associates, LP	03/11	28,655		Bookkeeper
Assessments of the Southwest, .Inc.	03/11	9,651		Tax Collector
Brazoria County Appraisal District	Legislation	8,884		Property Valuation
Perdue, Brandon, Fielder, Collins & Mott, LLP	07/12	2,343		Delinquent Tax Attorney
Coastal Bend Engineering, LP	07/12	38,682		Engineer
McGrath & Co., PLLC	07/16	10,000		Auditor
Rathmann & Associates, LP	03/11			Financial Advisor

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

APPENDIX C

SPECIMEN OF MUNICIPAL BOND INSURANCE POLICY

BAM

MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: $__________ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on]

Effective Date: _________

Risk Premium: $__________
Member Surplus Contribution: $_________
Total Insurance Payment: $_________

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: ______________________________

Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
1 World Financial Center, 27th floor
200 Liberty Street
New York, New York 10281
Telecopy:
212-962-1524 (attention: Claims)